As filed with the Securities and Exchange Commission on September 24, 2026.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

City Therapeutics, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**2834**	**93-2762122**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

399 Binney Street
Cambridge, MA 02142
(857) 357-2024

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

Andrew Orth, M.B.A.
President and Chief Executive Officer
City Therapeutics, Inc.
399 Binney Street
Cambridge, MA 02142
(857) 357-2024

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

Copies to:

Kingsley L. Taft **Sarah Ashfaq** **Goodwin Procter LLP** **100 Northern Avenue** **Boston, MA 02210** **(617) 570-1000**	**Andrew Orth, M.B.A.** **President and Chief Executive Officer** **City Therapeutics, Inc.** **399 Binney Street** **Cambridge, MA 02142** **(857) 357-2024**	**Darah Protas** **Evan Leitner** **Divakar Gupta** **Richard Segal** **Cooley LLP** **1299 Pennsylvania Avenue, NW, Suite 700** **Washington, DC 20004** **(202) 842-7800**

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

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

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

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

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

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

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

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

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

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

Subject to Completion. Dated September 24, 2026.

Shares

Common Stock

This is an initial public offering of shares of common stock of City Therapeutics, Inc. We are offering shares of our common stock.

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

We are an "emerging growth company" and a "smaller reporting company" as defined under the U.S. federal securities laws and, as such, we have elected to comply with certain reduced reporting requirements in this prospectus. For additional information, see the section titled "*Prospectus Summary — Implications of Being an Emerging Growth Company and a Smaller Reporting Company*."

See the section titled "*Risk Factors*" beginning on page 13 to read about factors that you should consider before deciding to invest in shares of our common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	$	$
Underwriting discounts and commissions[1]	$	$
Proceeds, before expenses, to City Therapeutics, Inc.	$	$

(1) See the section titled "*Underwriting*" for additional information regarding compensation payable to the underwriters.

We have granted the underwriters the option to purchase up to an additional shares of common stock from us, at the initial public offering price, less the underwriting discounts and commissions.

The underwriters expect to deliver the shares against payment on or about , 2026.

Goldman Sachs & Co. LLC **Jefferies** **Stifel**

Oppenheimer & Co.

Prospectus dated , 2026

TABLE OF CONTENTS

	Page
PROSPECTUS SUMMARY	1
THE OFFERING	9
SUMMARY CONSOLIDATED FINANCIAL DATA	11
RISK FACTORS	13
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS	94
USE OF PROCEEDS	96
DIVIDEND POLICY	98
CAPITALIZATION	99
DILUTION	101
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	104
BUSINESS	125
MANAGEMENT	184
EXECUTIVE COMPENSATION	195
DIRECTOR COMPENSATION	207
CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS	210
PRINCIPAL STOCKHOLDERS	214
DESCRIPTION OF CAPITAL STOCK	217
SHARES ELIGIBLE FOR FUTURE SALE	223
MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES FOR NON-U.S. HOLDERS	225
UNDERWRITING	229
LEGAL MATTERS	237
EXPERTS	237
WHERE YOU CAN FIND ADDITIONAL INFORMATION	237
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS	F-1

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

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

We own, have applied for or have rights to use one or more registered and common law trademarks, service marks and/or trade names in connection with our business in the U.S., which may be used throughout this prospectus. This prospectus also includes trademarks, trade names, and service marks of third parties which are the property of their respective owners. Our use or display of third parties' trademarks, service marks, trade names, or products in this prospectus is not intended to, and does not

imply a relationship with, or endorsement or sponsorship by us. Solely for convenience, the trademarks, service marks, logos and trade names referred to in this prospectus may appear without the ®, TM or SM symbols, but the omission of such references is not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights, or the rights of the applicable owner of or licensor to these trademarks, service marks, and trade names.

Market, Industry and Other Data

The market data and certain other statistical information used throughout this prospectus are based on independent industry publications, governmental publications, reports by market research firms or other independent sources that we believe to be reliable sources. Industry publications and third-party research, surveys and studies generally indicate that their information has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. We are responsible for all of the disclosure contained in this prospectus, and we believe that these sources are reliable; however, we have not independently verified the information contained in such publications. While we are not aware of any misstatements regarding any third-party information presented in this prospectus, their estimates, in particular, as they relate to projections, involve numerous assumptions, are subject to risks and uncertainties, and are subject to change based on various factors, including those discussed under the section titled "*Risk Factors*" and elsewhere in this prospectus. Some data are also based on our good faith estimates.

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our common stock. You should read this entire prospectus carefully, including the sections of this prospectus titled "Risk Factors," "Cautionary Note Regarding Forward-Looking Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes included elsewhere in this prospectus, before making an investment decision.

Unless otherwise indicated, all references in this prospectus to "City," "City Therapeutics," the "company," "we," "our," "us" or similar terms refer to City Therapeutics, Inc. and its wholly owned subsidiary, or either or both as the context may require. References in this prospectus to program and financial guidance as occurring in "early," "mid-" or "late," as applicable, in a given year refer to the first and second quarters, the second and third quarters, and the third and fourth quarters, respectively, of the applicable calendar year.

Overview

We are a clinical-stage biotechnology company developing the next generation of RNA interference ("RNAi") therapeutics designed to silence the expression of disease-relevant proteins, with the aim of delivering meaningful and durable benefits for patients in need. We believe our deep RNAi expertise and City Platform capabilities uniquely position us to achieve our goal of developing potentially best-in-class therapeutics. Our vision is to lead the next generation of RNAi therapeutics, and our mission is to improve patients' lives through breakthrough RNAi science as we build a biopharmaceutical company with enduring impact.

Our current pipeline is focused on indications with significant unmet medical need, including thromboembolic diseases, Stargardt disease type 1 ("Stargardt disease"), and anemia of chronic disease, where we believe disease biology supports RNAi-mediated knockdown as a differentiated approach compared to other modalities. Led by pioneers and experts in the field of RNAi, we have made rapid progress since founding our company in July 2023, discovering and advancing three programs into or toward the clinic in under three years, and our goal is for our City Platform to deliver one to two new investigational new drug application ("IND") or IND-equivalent applications per year.

Several members of our leadership team, including John Maraganore, Ph.D., our co-founder and Executive Chair and former founding Chief Executive Officer of Alnylam Pharmaceuticals, Inc. ("Alnylam"), and Tracy Zimmermann, Ph.D., our Chief Scientific Officer, played a foundational role in establishing RNAi therapeutics as a recognized treatment modality, as evidenced by multiple FDA-approved RNAi therapeutics that each of them worked in development on, and our President and Chief Executive Officer, Andrew (Andy) Orth, M.B.A., led the launch of multiple RNAi therapeutics, including the first U.S. Food and Drug Administration ("FDA")-approved RNAi therapeutic. Collectively, the team at City has contributed to the discovery, development, or commercialization of seven of the eight currently FDA-approved RNAi therapeutics, and 75% of our research leaders have prior RNAi therapeutics discovery or development experience.

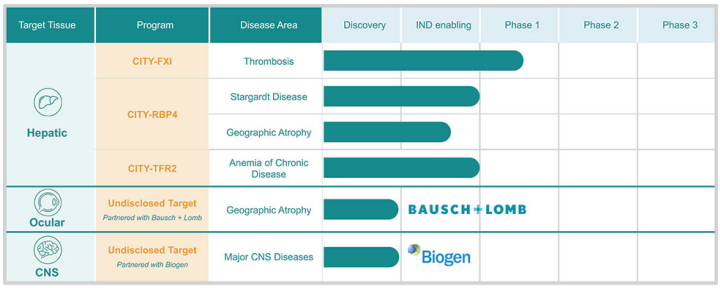
RNAi is a naturally occurring biological process that regulates or silences gene expression by "interfering" with messenger RNA ("mRNA") before it can be translated into protein. RNAi has inherent advantages as a therapeutic mechanism because it is a highly specific, potent, and durable approach to selectively silence the expression of disease-relevant proteins, including intracellular targets that are inaccessible to traditional small molecules and antibodies. In addition, RNAi therapeutics benefit from a simpler molecular architecture relative to biologics, consisting of short, chemically synthesized oligonucleotides rather than large, complex proteins, which enables more consistent and scalable manufacturing. RNAi has been established mechanistically and commercially, with the first of the eight FDA-approved RNAi therapeutics coming to market in 2018 and multiple products achieving substantial and growing commercial sales. With approximately 100 programs currently in clinical development, we believe RNAi therapeutics are poised to follow a growth trajectory analogous to that of monoclonal

antibody therapeutics, a modality that was first approved by the FDA in the mid-1990s and has since expanded to more than 150 approved medicines.

While RNAi is an established therapeutic modality, we are early in our development efforts, and our City Platform and approach to the engineering and development of certain of our product candidates is unproven and incorporates novel technologies that may not result in marketable products. Our lead product candidate, CITY-FXI, is in an early stage of clinical development, and our other product candidates and development programs are in preclinical development or drug discovery. We have only recently initiated our first clinical trial, have not yet completed any clinical trials, and have limited experience conducting and managing clinical trials. None of our product candidates has been approved for commercial sale, we have not generated revenue from product sales, and we have not yet demonstrated an ability to successfully complete clinical development or obtain marketing approval for and commercialize any of our product candidates. Our product candidates may fail in development or never receive regulatory approval, and we will require substantial additional capital to complete development of and, if approved, commercialize our product candidates. See the sections titled "—*Summary of Material Risks Associated With Our Business*" and "*Risk Factors*" for a discussion of these and other risks and uncertainties associated with our business.

Our Pipeline

We are advancing a pipeline of RNAi therapeutics designed to achieve potent, specific, and durable suppression of disease-relevant hepatic and extrahepatic targets to treat diseases with significant unmet medical needs. The following table summarizes our current development stage programs:



IND: Investigational New Drug Application or equivalent

All of our product candidates are in early clinical or preclinical development. We have not demonstrated that any of our product candidates are safe or effective or provide advantages over existing or investigational therapies, and results of preclinical studies, including our non-human primate ("NHP") studies, may not be predictive of results in clinical trials. None of our product candidates has been approved by the FDA or any comparable foreign regulatory authority, and we may never obtain regulatory approval for any of our product candidates.

Our most advanced product candidate, CITY-FXI, is a City-engineered N-acetylgalactosamine ("GalNAc")-conjugated small interfering RNA ("siRNA") therapeutic targeting Factor XI ("FXI"). CITY-FXI illustrates our strategy of engineering highly potent and specific RNAi triggers directed at therapeutic targets supported by third-party human genetic and clinical data. We are advancing CITY-FXI for the prevention of thromboembolic diseases based on its potential to reduce FXI activity and thereby prevent thromboembolic events while mitigating bleeding risk. Thrombosis, the formation of harmful clots inside a blood vessel, is responsible for approximately one in four deaths worldwide. FXI is a genetically and clinically supported target that contributes to pathological thrombosis while playing a limited role in hemostasis, or normal blood clotting. In preclinical studies with CITY-FXI, we observed 95% FXI

knockdown with prolonged clotting time in NHPs and no observed off-target effects in cell-based assays. We initiated our Phase 1 clinical trial for CITY-FXI in 2026, and initial data from the first three cohorts of the single-ascending dose ("SAD") portion of our study in healthy volunteers showed that CITY-FXI was generally well-tolerated by participants with greater than 60% FXI knockdown observed following a single 15 mg subcutaneous dose, close to 80% FXI knockdown after a single 50 mg subcutaneous dose, and 85% FXI knockdown three weeks after a single 150 mg subcutaneous dose. We expect to report additional data from our Phase 1 study in late 2026. We intend to develop CITY-FXI for thromboembolic disease indications, including secondary stroke prevention, direct oral anticoagulant ("DOAC")-ineligible atrial fibrillation ("AFib"), extended secondary prophylaxis following venous thromboembolism ("VTE"), and cancer-associated thrombosis, specifically in patients for whom DOACs are often not used because of heightened bleeding risk. We plan to first evaluate efficacy and safety in thrombotic disease through a Phase 2 trial in total knee arthroplasty ("TKA"), a clinical setting in which patients are at increased risk of postoperative thrombosis. We expect to initiate the Phase 2 study in TKA in mid-2027.

Our second product candidate, CITY-RBP4, is a City-engineered GalNAc-conjugated siRNA therapeutic, in development for the treatment of Stargardt disease, which is the most common inherited macular degenerative disease in children and young adults. There are currently no approved therapies for the disease. More than 30,000 people in the United States are diagnosed with Stargardt disease, and some studies suggest that the prevalence is even higher, indicating there could be a significant number of undiagnosed patients who emerge upon FDA approval of a treatment. Stargardt disease is debilitating, and many patients become legally blind in their late twenties. Patients face decades of progressive loss of central vision that renders daily activities, including reading, recognizing faces, and driving impossible. Stargardt disease is caused by mutations in the *ABCA4* gene, which lead to the toxic accumulation of vitamin A byproducts in the eye. CITY-RBP4 targets retinol binding protein 4 ("RBP4"), the primary carrier of retinol, a form of vitamin A, that transports retinol from the liver to the eye. Inhibition of RBP4 has been supported by third-party clinical proof-of-mechanism data for the treatment of Stargardt disease. In addition, in a preclinical study in NHPs, following treatment with CITY-RBP4, we observed approximately 90% suppression of circulating vitamin A and RBP4 at dose levels of 3 mg/kg and 10 mg/kg. In mid-2026, we filed an application for CITY-RBP4 to initiate a Phase 1 clinical trial in late 2026 and we expect to report initial data from this trial in mid-2027. We are also exploring CITY-RBP4 in adjacent indications, including Geographic Atrophy ("GA") secondary to age-related macular degeneration. We expect to initiate a Phase 2 clinical trial for CITY-RBP4 in GA in late 2027.

Our third program, CITY-TFR2, is a City-engineered GalNAc-conjugated siRNA therapeutic candidate in development for anemia of chronic disease, which accounts for up to 40% of all anemias and affects more than five million people in the United States. In the inflammatory states associated with anemia of chronic disease, the body increases production of hepcidin, the hormone controlling systemic iron, which restricts iron availability and starves red blood cell production. CITY-TFR2 is designed to silence transferrin receptor 2 ("TFR2"), a protein predominantly produced in the liver that is critical to the regulation of hepcidin production. This lowers hepcidin, restoring the iron supply needed to correct anemia. In a preclinical study in NHPs, following treatment with CITY-TFR2, we observed approximately 90% TFR2 mRNA knockdown with a concomitant increase in serum iron. We are initially focused on development of CITY-TFR2 in anemia associated with myelofibrosis, as anemia is a major contributor to the clinical burden of the disease. An investigator-initiated trial ("IIT") for CITY-TFR2 is expected to begin in China in late 2026 and we expect to report data from the IIT in mid-2027. We also plan to file an IND or IND-equivalent application in late 2026 and initiate a Phase 1/2 study for CITY-TFR2 in early 2027, with potential to expand into other chronic conditions where anemia is prevalent, such as chronic kidney disease and inflammatory diseases, including inflammatory bowel disease.

Beyond our lead programs, we are advancing discovery candidates designed to expand the reach of RNAi therapeutics across new tissues, targets and disease areas. These candidates include a fourth liver-directed program, CITY-L04, directed at an undisclosed target, as well as two discovery-stage programs based on our proprietary cleavage-inducing tiny RNAs ("cityRNAs"), CITY-O02 and CITY-C02, which are focused on ocular and CNS indications, respectively.

We have formed strategic collaborations with Bausch + Lomb Ireland Limited ("Bausch + Lomb") and Biogen MA Inc. ("Biogen") to advance extrahepatic RNAi therapeutics for diseases of the eye and the central nervous system ("CNS"), respectively. We believe these collaborations reinforce the potential of and enhance our City Platform, particularly our next-generation RNAi trigger and delivery technologies, while preserving our freedom to pursue additional targets in the eye and CNS and our rights to any City Platform innovations developed under the collaborations. In July 2024, we entered into a research collaboration and license agreement with Bausch + Lomb (the "B+L Agreement") for a single target, focused on developing a novel RNAi therapy for retinal diseases, including GA. The collaboration leverages our next-generation delivery technologies to enable intravitreal delivery of a novel RNAi therapeutic, and we retain rights to the delivery technology we build under the agreement. We plan to substantially complete the research and development under the B+L Agreement to enable Bausch + Lomb to select a development candidate by late 2026. In May 2025, we entered into a research collaboration and license agreement with Biogen (the "Biogen Agreement") focused on the discovery and development of an RNAi program for neurodegenerative diseases. The collaboration leverages our trigger engineering expertise and Biogen's proprietary drug delivery technology to develop a systemic RNAi therapeutic for certain CNS diseases. The collaboration will initially focus on a single target, and Biogen has the option to designate one additional target for a separate collaboration and license agreement on substantially the same terms. We plan to substantially complete the research and development under the Biogen Agreement by late 2026 to enable Biogen to select a development candidate by late 2027.

Our City Platform

Our City Platform is the engine behind every therapeutic we develop. Our City Platform is designed to integrate three core capabilities: RNAi trigger engineering, novel delivery conjugates designed to enable tissue selectivity, and target discovery and selection enabled by our insights into human genetics. Critical to every RNAi medicine is the trigger that harnesses the cellular RNAi machinery to silence a disease-relevant gene. We believe our expertise enables us to engineer the trigger for high potency and specificity, and our novel cityRNA triggers are a differentiated approach to unlock extrahepatic delivery. Our proprietary artificial intelligence and machine learning ("AI/ML")-enabled trigger design capability uses a large RNAi activity dataset to predict high-potential trigger molecules in silico, accelerating design cycles from months to weeks. We conjugate our triggers with tissue-targeting ligands for precise delivery to cell types in and beyond the liver, starting with our proprietary low-density lipoprotein receptor-related protein 1 ("LRP1") ligands, which are designed to enable delivery to ocular, CNS, and adipose tissues. Our pipeline programs are selected through a genetics-led target discovery and selection capability that leverages insights from human biology and other sources of substantiation, including clinical data. We use this capability to identify differentiated and genetically supported targets where RNAi is designed to confer a durable therapeutic advantage. By uniting these capabilities in a single platform, our goal is to systematically create and develop potentially best-in-class therapeutics, with plans to file one to two new IND or IND-equivalent applications per year. The filing of an IND or IND-equivalent application, or the clearance of any such application by the FDA or a comparable foreign regulatory authority, is not indicative of the future success of any of our product candidates and does not increase the likelihood that any of our product candidates will receive regulatory approval. Given our early stage of development, it will take many years before we complete clinical development of and receive regulatory approval for any of our product candidates, if ever.

Certain foundational elements of our City Platform are supported by intellectual property licensed from the Ohio State Innovation Foundation ("OSIF"). In October 2023, we entered into a license agreement (as amended, the "OSIF License Agreement") with OSIF, pursuant to which OSIF granted us an exclusive royalty-bearing license to certain patent rights covering the originating technology underlying cityRNAs and certain other aspects of our technology platform.

Our Strategy

We are driven by the opportunity to bring durable, meaningful benefit to patients through the next generation of RNAi therapeutics. Anchored by deep scientific expertise and our proprietary City Platform, our goal is to develop potentially best-in-class therapeutics and to build a lasting, fully integrated RNAi

company capable of delivering transformative therapeutics across a multitude of diseases. We intend to pursue this goal through the following key strategies:

- Pioneer the future of RNAi trigger design and delivery.
- Advance development candidates in high unmet medical need indications where RNAi offers meaningful advantages.
- Selectively pursue value-accretive partnerships for certain programs to maximize the value of our portfolio.
- Bring exceptional depth of experience to accelerate and expand our platform and pipeline.

Our Team and History

Defining the next generation of RNAi therapeutics requires a unique combination of scientific, clinical, and commercial expertise. We have assembled a team with deep experience across each of these disciplines. Collectively, our team has contributed to the discovery, development, or commercialization of seven of the eight currently FDA-approved RNAi therapeutics. Our Executive Chair and co-founder, John Maraganore, Ph.D., is a pioneer in the field of RNAi therapeutics who served as the former founding Chief Executive Officer of Alnylam for nearly 20 years, where he was instrumental in advancing the company from early platform research through the development, global regulatory approval, and commercialization of the first five RNAi therapeutics, and previously held senior leadership roles at Millennium Pharmaceuticals, Inc. and Biogen Inc. Our President and Chief Executive Officer, Andrew (Andy) Orth, M.B.A., brings more than 25 years of industry experience and held multiple leadership roles at Alnylam, including supporting the launch of ONPATTRO, the first FDA-approved RNAi therapeutic, before serving as Chief Commercial Officer of Krystal Biotech, Inc. Our Chief Medical Officer, Baisong Mei, M.D., Ph.D., a physician scientist and drug developer with 25 years of experience in the pharmaceutical and biotech industry, played a critical leadership role in the development and regulatory approval of ALPROLIX, ELOCTATE, ALTUVIIIO, and the siRNA medicine, QFITLIA. Our Chief Scientific Officer, Tracy Zimmermann, Ph.D., was the lead author of a landmark 2006 study, published in *Nature*, which provided the first-ever demonstration of RNAi-mediated gene silencing in NHPs and contributed heavily to the development of several approved RNAi therapeutics, including as co-inventor of AMVUTTRA.

Our board of directors consists of highly experienced biotechnology executives and investors, including our Executive Chair, John Maraganore, Ph.D., former founding Chief Executive Officer and founding member of the board of directors of Alnylam, Barry Greene, former President and Chief Executive Officer of Sage Therapeutics, Inc. and former long-time Chief Operating Officer of Alnylam, Robert Nelsen, M.B.A., co-founder and Managing Director of ARCH Venture Partners, Saraswathy (Sara) V. Nochur, Ph.D., former Chief Regulatory Officer and Chief Diversity, Equity and Inclusion Officer of Alnylam, Ron Philip, former Chief Executive Officer and a member of the board of directors of Orbital Therapeutics, Inc., and Andy Orth, our President and Chief Executive Officer. Further, we have assembled a cross-functional scientific and drug discovery advisory board, comprised of seasoned drug developers and leading academic scientists at the forefront of RNAi therapeutics.

From our inception in July 2023 through June 30, 2026, we have raised approximately $238.8 million in equity capital from a syndicate of premier life sciences investors, including ARCH Venture Partners, Fidelity Management & Research Company, Invus, and Viking Global Investors. Prospective investors should not rely on the investment decisions of our existing investors, as these investors may have different risk tolerances and, in certain cases, have received their shares in private financings at prices lower than the price offered to the public in this offering. See the sections titled "*Certain Relationships and Related Person Transactions*" and "*Principal Stockholders*" for more information on prior purchases by and current holdings of certain of these investors.

Summary of Material Risks Associated With Our Business

Our business is subject to a number of risks of which you should be aware before making an investment decision. These risks include, but are not limited to, the following:

- We are a clinical-stage biotechnology company with a limited operating history and no products approved by regulators for commercial sale, which may make it difficult to evaluate our current and future business prospects.
- The approach we are taking to discover and develop certain of our product candidates is novel and may never lead to marketable products.
- We are early in our development efforts. We have only recently initiated early clinical studies, and as a result it will be years before we commercialize a product candidate, if ever. If we are unable to identify and advance product candidates through preclinical studies and clinical trials, obtain marketing approval and ultimately commercialize them, or experience significant delays in doing so, our business will be materially harmed.
- We have incurred significant net losses since our inception, including net losses of $27.8 million and $58.5 million for the years ended December 31, 2024 and 2025, respectively, and $24.3 million and $53.4 million for the six months ended June 30, 2025 and 2026, respectively. As of June 30, 2026 we had an accumulated deficit of $142.5 million. We anticipate that we will continue to incur significant losses for the foreseeable future.
- Even if this offering is successful, we will require substantial additional capital to finance our operations in the future. If we are unable to raise such capital when needed, or on acceptable terms, we may be forced to delay, reduce or eliminate programs, product candidates (including clinical trials), or future commercialization efforts.
- We are dependent on the success of our product candidates, including CITY-FXI, CITY-RBP4, and CITY-TFR2, and our ongoing and anticipated clinical trials may not be successful.
- Preclinical and clinical drug development is a lengthy and expensive process, with uncertain timelines and outcomes. If preclinical studies or clinical trials of our product candidates are prolonged or delayed, we may be unable to obtain required regulatory approvals, and therefore be unable to commercialize our product candidates or any of our future product candidates on a timely basis or at all.
- Regulatory Authorities may not accept data from clinical trials conducted outside the United States, which could require us to conduct additional clinical trials and delay the development or approval of our product candidates.
- If our clinical trials fail to replicate positive results from earlier preclinical studies or clinical trials conducted by us or third parties, we may be unable to successfully develop, obtain regulatory approval for or commercialize our product candidates.
- We may encounter substantial delays in the commencement, enrollment or completion of our planned clinical trials or we may fail to demonstrate safety and efficacy to the satisfaction of applicable Regulatory Authorities, which could prevent us from commercializing any product candidates we determine to develop on a timely basis, if at all.
- If we become involved in patent litigation or other proceedings related to a determination of rights, we could incur substantial costs and expenses, substantial liability for damages or be required to stop our product development and commercialization efforts.
- Our success is largely based upon our intellectual property and proprietary technologies, and we may be unable to adequately protect and/or enforce our intellectual property.
- We are dependent on intellectual property that we have in-licensed from third parties, and our failure to comply with our obligations under these licenses could result in loss of rights that are critical to our business.
- We rely on and expect to continue to rely on third parties to conduct aspects of our research, preclinical studies, clinical protocol development and clinical trials for our programs and product candidates. If these third parties do not perform satisfactorily, comply with regulatory requirements or meet expected deadlines, we may not be able to develop product candidates in a timely or cost-effective manner, or obtain regulatory approval for or commercialize our product candidates and our business could be substantially harmed.

- We rely on third parties for the supply and manufacture of our product candidates for our research, preclinical, and clinical activities, and may do the same for commercial supplies of our products, if approved. As our pipeline increases and matures, the increased demand for supplies from our manufacturers may increase the risk that we will not have sufficient supply when needed or at an acceptable cost.
- We depend on limited source suppliers for certain drug substances, drug products, raw materials, samples, components and other materials used in our product candidates. If we are unable to source these supplies on a timely basis, or establish longer-term contracts with our suppliers, we may not be able to complete our clinical trials on time and the development of our product candidates may be delayed.
- We have in the past entered into, and in the future may enter into, partnership, collaboration and licensing arrangements with third parties to support development of programs and product candidates. If these partnership, collaboration, and licensing arrangements are not successful, our business could be adversely affected.
- The biopharmaceutical market is intensely competitive. If we or our collaborators are unable to compete effectively with existing drugs, new treatment methods, and new technologies, including with respect to our specific product candidates CITY-FXI, CITY-RBP4, and CITY-TFR2, we may be unable to successfully commercialize any drugs that we develop.
- There has been no prior public market for our common stock, and an active trading market for our common stock may not develop.
- The price of our common stock may be volatile and fluctuate substantially, which could result in substantial losses for purchasers of our common stock in this offering.

The summary risk factors described above should be read together with the text of the full risk factors in the section titled "*Risk Factors*" and the other information set forth in this prospectus, including our audited consolidated financial statements and the related notes, as well as in other documents that we file with the Securities and Exchange Commission (the "SEC"). The risks summarized above or described in full elsewhere in this prospectus are not the only risks that we face. Additional risks and uncertainties not presently 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 prospects.

Corporate Information

We were incorporated under the laws of the State of Delaware in July 2023. Our principal executive offices are located at 399 Binney Street, Cambridge, Massachusetts 02142, and our telephone number is (857) 357-2024. We have one subsidiary, City Therapeutics Securities Corporation, formed in August 2024 under the laws of the Commonwealth of Massachusetts. Our website address is *www.citytx.com*. The information contained in or accessible from our website is not incorporated into this prospectus, and you should not consider it part of this prospectus. We have included our website address in this prospectus solely as an inactive textual reference.

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

We qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, as amended (the "JOBS Act"). As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies. These provisions include:

- being permitted to present only two years of audited financial statements, in addition to any required unaudited interim financial statements, with correspondingly reduced "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" disclosure in this prospectus;
- reduced disclosure about our executive compensation arrangements;

- not being required to hold advisory votes on executive compensation or to obtain stockholder approval of any golden parachute arrangements not previously approved;
- an exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"); and
- an exemption from compliance with the requirements of the Public Company Accounting Oversight Board regarding the communication of critical audit matters in the auditor's report on the financial statements.

We may take advantage of these exemptions for up to five years or such earlier time that we are no longer an emerging growth company. We may choose to take advantage of some but not all of these exemptions. We would cease to be an emerging growth company on the date that is the earliest of (i) the last day of the fiscal year in which we have total annual gross revenues of $1.235 billion or more; (ii) the last day of our fiscal year following the fifth anniversary of the date of the completion of this offering; (iii) the date on which we have issued more than $1.0 billion in non-convertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC. We have taken advantage of reduced reporting requirements in this prospectus. Accordingly, the information contained herein may be different from the information you receive from other public companies in which you hold stock. Additionally, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to avail ourselves of this exemption and, therefore, while we are an emerging growth company we will not be subject to new or revised accounting standards at the same time that they become applicable to other public companies that are not emerging growth companies. As a result of this election, our consolidated financial statements may not be comparable to those of other public companies that comply with new or revised accounting pronouncements as of public company effective dates. We may choose to early adopt any new or revised accounting standards whenever such early adoption is permitted for private companies.

We are also a "smaller reporting company," meaning that the market value of our shares held by non-affiliates plus the proposed aggregate amount of gross proceeds to us as a result of this offering is less than $700 million and our annual revenue was less than $100 million during the most recently completed fiscal year. We may continue to be a smaller reporting company after this offering if either (i) the market value of our shares held by non-affiliates is less than $250 million measured on the last business day of our second fiscal quarter or (ii) our annual revenue was less than $100 million during the most recently completed fiscal year and the market value of our shares held by non-affiliates is less than $700 million measured on the last business day of our second fiscal quarter. If we are a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, as a smaller reporting company, we may choose to present only the two most recent fiscal years of audited consolidated financial statements in our Annual Report on Form 10-K and, similar to emerging growth companies, smaller reporting companies have reduced disclosure obligations regarding executive compensation.

THE OFFERING

Common stock offered by us	shares.
Option to purchase additional shares of common stock	We have granted a 30-day option to the underwriters to purchase up to additional shares of common stock from us at the public offering price, less underwriting discounts and commissions.
Common stock to be outstanding immediately after this offering	shares (or shares if the underwriters exercise their option to purchase additional shares of common stock in full).
Use of proceeds	We estimate that the net proceeds from the sale of our common stock in this offering will be approximately $ million (or approximately $ million if the underwriters exercise their option to purchase additional shares of common stock in full), based on the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We currently intend to use the net proceeds from this offering, together with our existing cash and cash equivalents, as follows: approximately $ million to fund the clinical development of CITY-FXI, including our ongoing Phase 1 clinical trial and the initiation of a Phase 2 TKA study; approximately $ million to fund the clinical development of CITY-RBP4, including our Phase 1 clinical trial and preparations for later-stage clinical development for the treatment of Stargardt disease and GA; approximately $ million to fund the clinical development of CITY-TFR2, including an IIT in China and the Phase 1/2 clinical trial, both focused on the treatment of anemia associated with myelofibrosis; approximately $ million to advance our City Platform, including continued investment to advance cityRNA triggers (CITY-O02 and CITY-C02) to the pipeline, as well as additional preclinical product candidates toward IND or IND-equivalent submission and clinical development; and the remainder for working capital and other general corporate purposes. See the section titled "*Use of Proceeds*" for additional information.
Risk factors	See the section titled "*Risk Factors*" for a discussion of factors you should carefully consider before deciding whether to invest in our common stock.
Proposed Nasdaq Global Market trading symbol	"CTY"

The number of shares of our common stock that will be outstanding after this offering is based on shares of our common stock outstanding as of June 30, 2026 (which includes 1,788,606 shares of restricted common stock subject to repurchase or forfeiture), after giving effect to (i) the automatic conversion of all outstanding shares of our convertible preferred stock into an aggregate of 26,266,656 shares of our common stock and (ii) the automatic conversion of the outstanding principal and accrued interest under the convertible promissory note with Biogen (the "Biogen Note") into an aggregate of shares of our common stock at a conversion price equal to 85% of the assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, in each case immediately prior to the completion of this offering, and excludes:

- 4,920,950 shares of common stock issuable upon exercise of outstanding stock options as of June 30, 2026 under our 2023 Stock Plan, as amended from time to time (the "2023 Plan"), with a weighted-average exercise price of $2.16 per share;
- 900,000 shares of common stock issuable upon exercise of outstanding stock options granted after June 30, 2026 under our 2023 Plan, with a weighted-average exercise price of $9.48 per share;
- 1,349,944 shares of common stock reserved for future issuance as of June 30, 2026 under our 2023 Plan, which will cease to be available for issuance at the time that our 2026 Stock Option and Incentive Plan (the "2026 Plan") becomes effective;
- shares of our common stock reserved for future issuance under our 2026 Plan, which will become effective on the date immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, as well as any automatic increases in the number of shares of common stock reserved for future issuance under the 2026 Plan and any shares underlying outstanding stock awards granted under our 2023 Plan that expire or are repurchased, forfeited, cancelled or withheld; and
- shares of common stock reserved for future issuance under our 2026 Employee Stock Purchase Plan (the "ESPP"), which will become effective on the date immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, as well as any automatic increases in the number of shares of common stock reserved for future issuance under the ESPP.

Unless otherwise indicated, the information in this prospectus reflects or assumes the following:

- the automatic conversion of (i) all outstanding shares of our convertible preferred stock into an aggregate of 26,266,656 shares of common stock and (ii) the outstanding principal and accrued interest under the Biogen Note into an aggregate of shares of our common stock at a conversion price equal to 85% of the assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, in each case immediately prior to the completion of this offering;
- no exercise of the outstanding stock options or restricted common stock described above after June 30, 2026;
- no exercise of the underwriters' option to purchase up to an additional shares of common stock in this offering;
- a one-for- reverse stock split of our common stock, which will become effective prior to the completion of this offering and a corresponding adjustment to the ratio at which our convertible preferred stock will convert into common stock; and
- the filing and effectiveness of our amended and restated certificate of incorporation (the "amended and restated certificate of incorporation") immediately prior to the completion of this offering and the effectiveness of our amended and restated bylaws upon the effectiveness of the registration statement of which this prospectus forms a part.

SUMMARY CONSOLIDATED FINANCIAL DATA

The following tables set forth our summary consolidated statements of operations for the years ended December 31, 2024 and 2025 and for the six months ended June 30, 2025 and 2026 and our summary condensed consolidated balance sheet data as of June 30, 2026. The summary consolidated statements of operations data for the years ended December 31, 2024 and 2025 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The summary condensed consolidated statements of operations data for the six months ended June 30, 2025 and 2026 and summary condensed consolidated balance sheet data as of June 30, 2026 have been derived from our unaudited condensed consolidated financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected for any period in the future, and our interim results are not necessarily indicative of the results that may be expected for the full year or any other period. Our unaudited interim financial statements were prepared on the same basis as our audited financial statements and include, in the opinion of management, all adjustments, consisting of normal recurring adjustments, that are necessary for the fair statement of the financial information set forth in those financial statements. You should read the following summary financial data together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes included elsewhere in this prospectus. The summary consolidated financial data included in this section are not intended to replace the consolidated financial statements and are qualified in their entirety by our consolidated financial statements and the related notes included elsewhere in this prospectus.

(in thousands, except share and per share amounts)	Year ended December 31,		Six Months ended June 30,	
	2024	2025	2025	2026
Consolidated Statements of Operations and Comprehensive Loss Data:				
Collaboration revenue	$ 2,778	$ 13,562	$ 5,578	$ 6,358
Operating expenses:				
Research and development[1]	25,682	58,420	24,375	46,319
General and administrative[2]	6,186	15,064	7,796	11,170
Total operating expenses	31,868	73,484	32,171	57,489
Loss from operations	(29,090)	(59,922)	(26,593)	(51,131)
Other income:				
Interest income	2,397	4,208	2,064	1,595
Interest expense	(448)	(2,257)	(646)	(1,496)
Other expense, net	(695)	(534)	893	(2,411)
Total other income, net	1,254	1,417	2,311	(2,312)
Net loss and comprehensive loss	$ (27,836)	$ (58,505)	$ (24,282)	$ (53,443)
Net loss per share, basic and diluted[3]	$ (8.18)	$ (12.46)	$ (5.52)	$ (8.27)
Weighted-average common shares outstanding, basic and diluted[3]	3,403,747	4,696,166	4,400,329	6,461,444
Pro forma net loss per share allocable to common stockholders, basic and diluted (unaudited)[4]	—		—	
Pro forma weighted average common shares outstanding, basic and diluted (unaudited)[4]	—		—	

(1) Includes related party amounts of $3.6 million and $5.3 million for research and development expenses for the years ended December 31, 2024 and 2025, respectively, and $1.7 million and $3.8 million for the six months ended June 30, 2025 and 2026, respectively. See Note 17 — "Related Parties" to our audited consolidated financial statements and Note 17 — "Related Parties" to our unaudited condensed consolidated financial statements included elsewhere in this prospectus.

(2) Includes related party amounts of $0.7 million and $1.1 million for general and administrative expenses for the years ended December 31, 2024 and 2025, respectively, and $0.6 million and $0.7 million for the six months ended June 30, 2025 and 2026, respectively. See Note 17 — "Related Parties" to our audited consolidated financial statements and Note 17 — "Related Parties" to our unaudited condensed consolidated financial statements included elsewhere in this prospectus.

(3) See Notes 2 and 16 to our consolidated financial statements and Note 16 to our unaudited condensed consolidated financial statements included elsewhere in this prospectus for a description of the method used to calculate net loss per share, basic and diluted.

(4) Pro forma net loss per share allocable to common stockholders, basic and diluted for the year ended December 31, 2025 and the six months ended June 30, 2026 was calculated using the weighted average number of shares of common stock outstanding, including the pro forma effect of (i) the automatic conversion of all outstanding shares of our convertible preferred stock into an aggregate of 26,266,656 shares of our common stock, and (ii) the automatic conversion of the outstanding principal and accrued interest under the Biogen Note into shares of our common stock, at a conversion price equal to 85% of the assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, in each case as if such conversion had occurred as of January 1, 2025. Pro forma net loss per share allocable to common stockholders, basic and diluted does not include the effect of the shares expected to be sold in this offering. Upon the completion of this offering, if the actual initial public offering price differs from the assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, the number of shares of common stock issuable upon conversion of the Biogen Note will differ from the amounts reflected above. A $1.00 decrease in the assumed initial public offering price of $ per share would increase the number of shares of common stock issuable upon conversion of the outstanding principal and accrued interest under the Biogen Note by an aggregate of shares. A $1.00 increase in the assumed initial public offering price of $ per share would decrease the number of shares of common stock issuable upon such conversion by an aggregate of shares. The actual number of shares of common stock issuable upon conversion will be based on the outstanding principal and accrued interest under the Biogen Note and the actual initial public offering price.

	As of June 30, 2026		
(in thousands)	Actual	Pro Forma[1]	Pro Forma As Adjusted[2]
Consolidated Balance Sheet Data:			
Cash, cash equivalents, and restricted cash	$ 172,109	$	$
Working capital[3]	110,931		
Total assets	208,611		
Convertible notes	33,089		
Total liabilities	84,272		
Convertible preferred stock	256,056		
Total stockholders' deficit	(131,717)		

(1) Pro forma amounts give effect to (i) the automatic conversion of all outstanding shares of our convertible preferred stock into an aggregate of 26,266,656 shares of our common stock immediately prior to the completion of this offering, (ii) the automatic conversion of the outstanding principal and accrued interest under the Biogen Note into an aggregate of shares of our common stock immediately prior to the completion of this offering, at a conversion price equal to 85% of the assumed initial public offering price of $ per share, the midpoint of the estimated offering price range listed on the cover page of this prospectus, and (iii) the filing and effectiveness of our amended and restated certificate of incorporation, which will occur immediately prior to the completion of this offering.

(2) Pro forma as adjusted amounts give effect to (i) the pro forma adjustments set forth in footnote (1) above and (ii) the issuance and sale of shares of our common stock in this offering at the initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. This pro forma as adjusted information is illustrative only and will depend on the actual initial public offering price and other terms of this offering determined at pricing. Each $1.00 increase or decrease in the assumed initial public offering price of $ per share would increase or decrease, as applicable, the pro forma as adjusted amount of each of our cash, cash equivalents, and restricted cash, working capital, total assets and total stockholders' deficit equity by approximately $, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. Each increase or decrease of 1.0 million shares in the number of shares offered by us at the assumed initial public offering price of $ per share would increase or decrease, as applicable, the pro forma as adjusted amounts of each of our cash, cash equivalents, and restricted cash, working capital, total assets and total stockholders' deficit equity by approximately $, assuming no change in the assumed initial public offering price per share, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

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

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the following risks and uncertainties, together with all other information in this prospectus, including our consolidated financial statements and related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations," before investing in our common stock. Any of the risk factors we describe below could adversely affect our business, financial condition or results of operations. The market price of our common stock could decline if one or more of these risks or uncertainties actually occur, causing you to lose all or part of the money you paid to buy our common stock. Additional risks that we currently do not know about or that we currently believe to be immaterial may also impair our business. Certain statements below are forward-looking statements. See the section titled "Cautionary Note Regarding Forward-Looking Statements" appearing elsewhere in this prospectus.

Risks Related to Our Limited Operating History, Financial Position and Need for Additional Capital

We are a clinical-stage biotechnology company with a limited operating history and no products approved by regulators for commercial sale, which may make it difficult to evaluate our current and future business prospects.

We are a clinical-stage biotechnology company with a limited operating history, which may make it difficult to evaluate the success of our business to date and assess our future viability. Since our inception in July 2023, we have devoted substantially all of our efforts and financial resources to organizing and staffing our company, business planning, establishing our intellectual property portfolio, raising capital, advancing development of our portfolio of programs and platform, including identifying and developing our product candidates, conducting research and preclinical studies and IND-enabling studies, and initiating and conducting clinical trials, and providing general and administrative support to our operations. All of our programs and product candidates are still in the research, preclinical development or clinical development stages. We have not yet demonstrated our ability to successfully complete any clinical trials, obtain regulatory approvals, manufacture a commercial-scale product or arrange for a third party to do so on our behalf, or conduct sales, marketing and distribution activities necessary for successful product commercialization. Additionally, we expect our financial condition and operating results to continue to fluctuate significantly from period to period due to a variety of factors, many of which are beyond our control. Consequently, any predictions made about our future success or viability may not be as accurate as they could be if we had a longer operating history.

We have no products approved for commercial sale and we can provide no assurance that we will obtain regulatory approvals to market and sell any products in the future. We therefore have never generated any revenue from product sales, and we do not expect to generate any revenue from product sales in the foreseeable future. Biopharmaceutical product development is a highly speculative undertaking and involves a substantial degree of risk. If we do not address these risks and difficulties successfully, our business will suffer.

We have incurred significant losses since our inception, including net losses of $27.8 million and $58.5 million for the years ended December 31, 2024 and 2025, respectively, and $24.3 million and $53.4 million for the six months ended June 30, 2025 and 2026, respectively. As of June 30, 2026 we had an accumulated deficit of $142.5 million. We anticipate that we will continue to incur significant losses for the foreseeable future.

We have no products approved for commercial sale and have not generated any revenue from product sales to date. We will continue to incur significant research and development and other expenses related to our programs, product candidates and ongoing operations. As a result, we are not profitable and have incurred losses in each period since our inception. Net losses and negative cash flows have had, and will continue to have, an adverse effect on our stockholders' equity (deficit) and working capital. We have incurred net losses in each year since our inception in 2023, including net losses of $27.8 million and $58.5 million during the years ended December 31, 2024 and 2025, respectively, and

$24.3 million and $53.4 million for the six months ended June 30, 2025 and 2026, respectively. As of June 30, 2026, we had an accumulated deficit of $142.5 million.

To date, we have financed our operations primarily through the sale and issuance of our convertible preferred stock, proceeds from issuances of convertible notes to our collaboration partners, and upfront and milestone payments under our collaboration and license arrangements. The amount of our future net losses will depend, in part, on the rate of our future expenditures and our ability to obtain funding through public or private equity or debt financings, government or other third-party grants, collaboration and licensing arrangements, asset sales, royalty financings, or a combination of these approaches. We have not completed clinical trials for any of our product candidates, and it will be several years, if ever, before we or our collaboration partners have a product candidate ready for commercialization. Even if we or our collaboration partners obtain regulatory approval to market a product, our future revenues will depend upon the size of any markets in which such product has received approval, and our ability to achieve sufficient market acceptance, reimbursement from third-party payors, and adequate market share in those markets. We may never achieve profitability.

We expect to continue to incur significant expenses and increasing operating losses for the foreseeable future. We anticipate that our expenses will increase substantially if and as we:

- advance our product candidates through preclinical and clinical development, including continuing the Phase 1 clinical trial for CITY-FXI and advancing other programs through preclinical and clinical development;
- seek regulatory approvals from the FDA, European Medicines Agency (“EMA”), and/or other foreign comparable regulatory authorities (collectively, the “Regulatory Authorities”) for our product candidates that successfully complete clinical trials;
- hire additional clinical, quality control, medical, scientific, and other technical personnel to support the clinical development of our product candidates;
- increase our headcount as we expand our research and development organization, market development and pre-commercial planning activities;
- undertake activities to establish sales, marketing, and distribution capabilities in preparation for commercialization for our product candidates, as applicable, including hiring additional personnel to support such operations;
- advance our preclinical-stage product candidates into clinical development;
- seek to identify, acquire, and further develop additional product candidates where we can leverage our City Platform, our proprietary, integrated platform, for the development of next-generation RNAi therapeutics, including through business development efforts to invest in or in-license other technologies or product candidates;
- maintain, expand, and protect our intellectual property portfolio;
- make milestone, royalty, or other payments due under our collaboration and license agreements, and any future in-license or collaboration agreements with third parties; and incur additional legal, audit, regulatory, tax and other expenses associated with operating as a public company.

Biopharmaceutical product development entails substantial upfront capital expenditures and significant risk that a product candidate will fail to demonstrate adequate efficacy or an acceptable safety profile, gain regulatory approval, secure market access and reimbursement and become commercially viable, and therefore any investment in us is highly speculative. Accordingly, before making an investment in us, you should consider our prospects, factoring in the costs, uncertainties, delays and difficulties frequently encountered by companies in clinical development, especially clinical-stage biopharmaceutical companies such as ours. Any predictions you make about our future success or viability may not be as accurate as they would otherwise be if we had a longer operating history or a history of successfully developing and commercializing biopharmaceutical products. We may encounter unforeseen expenses, difficulties, complications, delays and other known or unknown factors in achieving our business objectives.

The development of our City Platform and the development and potential commercialization of our product candidates will require substantial additional capital to fund expenses. We have entered into collaboration agreements for certain programs and product candidates and may decide to collaborate for the future development and potential commercialization of other product candidates. For example, we are party to collaboration agreements with Bausch + Lomb and Biogen pursuant to which we conduct research activities to discover RNAi molecules and related product candidates, while our collaboration partners are primarily responsible for development activities. These agreements contemplate ongoing funding commitments by the parties, including our funding of certain research activities and, in the case of our collaboration with Bausch + Lomb, reimbursement by Bausch + Lomb of specified research costs. However, we cannot guarantee that either we or our collaboration partners will have sufficient funds to support the research and development activities contemplated by these agreements. If we elect to increase our expenditures to fund development or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms or at all. If we do not have sufficient funds, we may not be able to further develop our programs and product candidates or bring them to market and generate product revenue.

Additionally, our expenses could increase beyond our expectations if we are required by Regulatory Authorities to perform clinical trials in addition to those that we currently have planned for, or if there are any delays in establishing appropriate manufacturing arrangements for our product candidates or in completing clinical trials for our product candidates.

We have never generated any revenue from sales of drug products, and our ability to generate revenue from sales of drug products and become profitable depends significantly on our success in a number of factors.

We have no drug products approved for commercial sale, have not generated any revenue from drug product sales, and do not anticipate generating any revenue from drug product sales until sometime after we have received regulatory approval, if obtained at all, for the commercial sale of our product candidates. Our ability to generate revenue and achieve profitability depends significantly on our success in many factors, including but not limited to: completing research regarding, and preclinical and clinical development of, our product candidates; obtaining regulatory approvals and marketing authorizations for product candidates for which we complete clinical studies; developing a sustainable and scalable manufacturing process for our product candidates, including establishing and maintaining commercially viable supply relationships with third parties and establishing our own manufacturing capabilities and infrastructure; launching and commercializing product candidates for which we obtain regulatory approvals and marketing authorizations; addressing any competing technological and market developments; identifying, assessing, acquiring and/or developing new product candidates, intellectual property and technologies; negotiating favorable terms in any collaboration, licensing, or other arrangements into which we may enter; maintaining, protecting, expanding and enforcing our portfolio of intellectual property rights, including patents, trademarks, trade secrets, and know-how; or attracting, hiring, and retaining qualified personnel.

Even if one or more of the product candidates that we develop is approved for commercial sale, we anticipate incurring significant costs associated with commercializing any approved product candidate. Our expenses could increase beyond expectations if we are required by Regulatory Authorities to change our manufacturing processes or assays, or to perform clinical, preclinical, or other types of studies in addition to those we currently anticipate. If we are successful in obtaining regulatory approvals to market one or more of our product candidates, our revenue will be dependent, in part, upon the size of the market for the relevant product, the accepted price for the product to be paid with out-of-pocket expenses and the ability to get reimbursement for any amount. If the number of patients with our addressable disease is not as significant as we estimate, the indication approved by Regulatory Authorities is narrower than we expect, or the reasonably accepted population for treatment is narrowed by competition, physician choice or treatment guidelines, we may not generate significant revenue from sales of such products, even if approved. If we are not able to generate revenue from the sale of any approved products, we may never become profitable.

Even if this offering is successful, we will require substantial additional capital to finance our operations in the future. If we are unable to raise such capital when needed, or on acceptable terms, we may be forced to delay, reduce or eliminate programs, product candidates (including clinical trials), or future commercialization efforts.

Developing biopharmaceutical products, including conducting preclinical studies and clinical trials, is a time-consuming, expensive and uncertain process that takes years to complete. We expect our expenses to continue to increase in connection with our ongoing activities, particularly as we conduct clinical trials of, and seek regulatory and marketing approval for, our product candidates. Even if our current or future product candidates are approved for commercial sale, we anticipate incurring significant costs associated with commercializing any approved product candidate. To date, we have funded our operations principally through the sale and issuance of our convertible preferred stock and convertible notes, as well as capital received from our collaboration and license arrangements. We expect our expenses to increase in connection with our ongoing activities, particularly as we continue the clinical and preclinical development of our product candidates, continue to identify additional targets using our City Platform, commence additional preclinical studies and clinical trials, and continue to identify and develop additional product candidates either through internal development or through acquisitions or in-licensing product candidates.

As of June 30, 2026, we had cash, cash equivalents, and restricted cash of $172.1 million. Based on our current operating plan, we believe that our existing cash and cash equivalents, together with the net proceeds from this offering, will be sufficient to meet our working capital and capital expenditure needs into . We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we expect. We may also raise additional financing on an opportunistic basis in the future. For example, we may seek additional capital due to favorable market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. Attempting to secure additional financing may divert our management from our day-to-day activities, which may adversely affect our ability to develop our product candidates. Our future capital requirements will depend on many factors, including but not limited to:

- the scope, timing, progress, costs, and results of discovery, preclinical development and clinical trials for our current or future product candidates and the effectiveness of our City Platform;
- the number of clinical trials required for regulatory approval of our current or future product candidates;
- the costs, timing, and outcome of regulatory review of any of our current or future product candidates;
- the costs associated with acquiring or in-licensing additional product candidates, technologies or assets, including the timing and amount of any milestones, royalties, or other payments due in connection with our acquisitions and in-licenses, as applicable;
- the cost of manufacturing clinical and commercial supplies of our current or future product candidates;
- the costs and timing of preparing, filing, and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending any intellectual property-related claims, including any claims by third parties that we are infringing upon their intellectual property rights;
- our ability to maintain existing, and establish new, strategic collaborations, licensing or other arrangements on favorable terms, if at all, and the financial terms of any such agreements, including the timing and amount of any future milestone, royalty or other payments due to or payable by us thereunder and the extent to which we are obligated to reimburse, or entitled to reimbursement of, clinical trial costs under any such agreements, if any;
- the costs and timing of future commercialization activities, including manufacturing, marketing, sales, and distribution, for any of our product candidates for which we receive marketing approval;

- the revenue, if any, received from commercial sales of our product candidates for which we receive marketing approval;
- expenses to attract, hire, and retain skilled personnel;
- the costs of operating as a public company;
- our ability to establish a commercially viable pricing structure and obtain approval for coverage and adequate reimbursement from third-party and government payors;
- the effect of macroeconomic trends including inflationary pressures, tariffs, and fluctuating interest rates;
- addressing any potential supply chain interruptions or delays;
- the effect of competing technological and market developments; and
- the extent to which we acquire or invest in businesses, products, and technologies.

We expect our expenses to continue to increase in connection with our ongoing activities, particularly as we identify, continue the research and development of, initiate preclinical studies and clinical trials of, and seek marketing approval for, our current or future product candidates, and we may never generate the necessary data or results required to obtain regulatory approval and achieve product sales. In addition, our current or future product candidates, if approved, may not achieve commercial success. Our commercial revenues, if any, will be derived from sales of products that we do not expect to be commercially available for many years, if at all. Accordingly, we will need to continue to rely on additional financing to achieve our business objectives. Adequate additional financing may not be available to us on acceptable terms, or at all. In addition, we may seek additional capital due to favorable market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. 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, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, declaring dividends, and possibly other restrictions.

Any additional fundraising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize our product candidates. We have no committed sources of additional capital and, 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 current or future product candidates or other research and development initiatives. Without sufficient funding, our license agreements and any future collaboration agreements may also be terminated if we are unable to meet the payment or other obligations under such agreements.

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

Risks Related to Discovery, Development, Regulatory Approval and Potential Commercialization of Our Current or Future Product Candidates

The approach we are taking to discover and develop certain of our product candidates is novel and may never lead to marketable products.

We have concentrated our research and development efforts on RNAi technology, and our future success depends on the successful development of this technology and products based on our City Platform.

The scientific discoveries that form the basis for our efforts to develop product candidates based on our City Platform are relatively new. The scientific evidence to support the feasibility of developing product candidates based on these discoveries is both preliminary and limited. If we do not successfully develop and commercialize product candidates based upon our technological approach, we may not become profitable, and the value of our common stock may decline.

Further, our focus solely on RNAi technology for developing drugs as opposed to multiple, more proven technologies for drug development increases the risks associated with the ownership of our securities. If we are not successful in developing any product candidates using RNAi technology, we may be required to change the scope and direction of our product development activities. In that case, we may not be able to identify and successfully implement an alternative product development strategy.

We are early in our development efforts. We have only recently initiated early clinical studies, and as a result it will be years before we commercialize a product candidate, if ever. If we are unable to identify and advance product candidates through preclinical studies and clinical trials, obtain marketing approval and ultimately commercialize them, or experience significant delays in doing so, our business will be materially harmed.

The success of our business depends primarily upon our ability to identify, develop and commercialize product candidates. We are early in our development efforts and our lead product candidate, CITY-FXI, is in early clinical development and our other product candidates and development programs are in preclinical development or drug discovery stages. We have invested substantially all of our research efforts to date in developing our City Platform, identifying potential product candidates and conducting preclinical and early clinical studies. As an organization, we have limited experience in conducting and managing clinical trials necessary to obtain regulatory approvals, and we may be unable to do so for our current or future product candidates. While we have successfully completed IND- or IND-equivalent studies for CITY-FXI and have initiated a Phase 1 clinical trial to assess preliminary safety, tolerability, pharmacokinetic, and pharmacodynamic properties of CITY-FXI, we have not yet completed any clinical trials for CITY-FXI or any of our other product candidates to date. Additionally, we have a portfolio of current product candidates that are in earlier stages of discovery or preclinical development and may never advance to clinical-stage development. If we are able to advance these other product candidates into clinical development, we do not have experience managing multiple clinical trials simultaneously, working with global clinical trials, or working in multiple different disease indications. Our ability to achieve and sustain profitability depends on obtaining regulatory approvals for, and successfully commercializing our product candidates, either alone or with third parties, and we cannot guarantee you that we will ever obtain regulatory approval for any of our product candidates. Before obtaining regulatory approval for the commercial distribution of our product candidates, we must conduct extensive preclinical tests and clinical trials to demonstrate the safety and efficacy in humans of our product candidates.

We may not have the financial resources to continue development of, or the ability to enter into new collaborations for, a product candidate if we experience any issues that delay or prevent regulatory approval of, or our ability to commercialize, product candidates, including:

- preclinical study results may show the product candidate to be less effective than desired or to have harmful or problematic side effects;
- negative or inconclusive results from our clinical trials or the clinical trials of others for product candidates similar to ours, leading to a decision or requirement to conduct additional preclinical testing or clinical trials or abandon a program candidate;
- product-related side effects experienced by patients in our clinical trials or by individuals using products similar to our product candidates;
- our third-party manufacturers' inability to successfully manufacture our product candidates;
- inability of any third-party contract manufacturer to scale up manufacturing of our product candidates and those of our collaborators to supply the needs of clinical trials or commercial sales;

- delays in submitting INDs, clinical trial authorization applications or other comparable foreign applications or delays or failures in obtaining the necessary approvals from regulators to commence a clinical trial, or a suspension or termination of a clinical trial once commenced;
- preclinical studies conducted outside of the United States may be affected by tariffs or import/ export restrictions imposed by the United States or other foreign governments;
- conditions imposed by Regulatory Authorities regarding the scope or design of our clinical trials;
- delays in enrolling patients in our clinical trials;
- high drop-out rates of our clinical trial patients;
- inadequate supply or quality of product candidate components or materials or other supplies necessary for the conduct of our clinical trials;
- inability to obtain alternative sources of supply for which we have a single source for product candidate components or materials;
- greater than anticipated costs of our clinical trials;
- manufacturing costs, formulation issues, pricing or reimbursement issues, or other factors that no longer make a product candidate economically feasible;
- harmful or undesirable side effects or inability of our product candidates to meet efficacy endpoints during clinical trials;
- failure to demonstrate a benefit-risk profile acceptable to Regulatory Authorities;
- unfavorable Regulatory Authority inspection and review of any of the clinical trial sites or manufacturing facilities used in the testing and manufacture of any of our product candidates;
- failure of our third-party contractors or investigators to comply with regulatory requirements or otherwise meet their contractual obligations in a timely manner, or at all;
- delays and changes in regulatory requirements, policy and guidelines, including the imposition of additional regulatory oversight around clinical testing generally or with respect to our technology in particular; or
- varying interpretations of our data by Regulatory Authorities.

Our inability to complete development of, or commercialize our product candidates, or significant delays in doing so due to one or more of these factors, could have a material and adverse effect on our business, financial condition, results of operations and prospects.

Our approach to the engineering and development of our programs is unproven, and we may not be successful in our efforts to identify and develop any programs and product candidates of commercial value by leveraging our City Platform.

Our City Platform and approach to RNAi trigger engineering and product candidate development utilize, among other things, our proprietary cityRNA trigger engineering capabilities and proprietary AI/ML molecular-design capabilities to discover, design and engineer RNAi trigger molecules and product candidates. Because our approach is proprietary and incorporates novel technologies, including our cityRNA trigger molecules, the cost and time required to discover and develop our product candidates can be difficult to predict, and our efforts may not result in the discovery and development of commercially viable product candidates.

Any product candidate discovery and development efforts conducted using our City Platform may not be successful in identifying product candidates that have commercial value or therapeutic utility. Our City Platform may initially show promise in identifying, designing or engineering RNAi trigger molecules and product candidates, yet fail to yield viable product candidates for preclinical development, clinical development or potential commercialization for a number of reasons, including:

- research programs to identify and optimize new RNAi trigger molecules and product candidates will require substantial technical, financial and human resources, and we may be unsuccessful in our efforts to identify or advance suitable product candidates. If we are unable to identify suitable product candidates for preclinical and clinical development, our ability to expand our pipeline and generate future revenues could be adversely affected;
- City-engineered product candidates discovered using our City Platform may not demonstrate the expected potency, efficacy, safety, tolerability, pharmacokinetic or pharmacodynamic properties in preclinical studies or clinical trials, including because they may exhibit different biological, chemical or pharmacological properties in humans than they do in laboratory studies or otherwise interact with human biological systems in unforeseen, ineffective or potentially harmful ways;
- our proprietary AI/ML molecular-design capabilities and the datasets on which they are based may not accurately predict the activity, potency or other characteristics of RNAi trigger molecules or otherwise improve our ability to identify or optimize product candidates, and any advantages demonstrated in laboratory testing may not translate into successful product candidate development;
- product candidates identified through our City Platform may, on further study, be shown to have harmful side effects, off-target activity or other characteristics that indicate they are unlikely to receive regulatory approval or achieve market acceptance;
- competitors may develop alternative RNAi technologies, delivery approaches or other therapies that render our product candidates noncompetitive or less attractive; or
- a potential product candidate may not be capable of being manufactured reliably, at commercial scale or at an acceptable cost.

In addition, we may seek to identify and develop product candidates based on novel RNAi trigger molecules, delivery technologies, targets and other approaches that are unproven. In particular, our cityRNA trigger molecules represent a novel class of RNAi trigger molecules, and there is no clinical experience with product candidates incorporating these trigger molecules. If our activities fail to identify suitable RNAi trigger molecules, targets or other technologies for product candidate development, or if such technologies prove to be unsuitable for treating human disease, we may not be able to develop viable additional product candidates. We and our existing or future collaborators may never receive regulatory approval to market and commercialize any product candidate. Even if we or an existing or future collaborator obtains regulatory approval, the approval may be for indications or patient populations that are not as broad as we intended or desired or may require labeling that includes significant use or distribution restrictions or safety warnings. If the product candidates resulting from our City Platform prove to be ineffective, unsafe or commercially unviable, our City Platform and product candidates would have little, if any, value, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Preclinical and clinical drug development is a lengthy and expensive process, with uncertain timelines and outcomes. If preclinical studies or clinical trials of our product candidates are prolonged or delayed, we may be unable to obtain required regulatory approvals, and therefore be unable to commercialize our product candidates or any of our future product candidates on a timely basis or at all.

Successful development of pharmaceutical products involves a lengthy and expensive process, is highly uncertain, and is dependent on numerous factors, many of which are beyond our control. Product candidates that appear promising in the early phases of development may fail to reach the market for several reasons, including:

- clinical trial results may show the product candidates to be less effective than expected (for example, a clinical trial could fail to meet its primary or key secondary endpoint(s)) or have an unacceptable safety or tolerability profile;

- failure to receive the necessary regulatory approvals or a delay in receiving such approvals, which, among other things, may be caused by patients who fail the trial screening process, slow enrollment in clinical trials, patients dropping out of trials, patients lost to follow-up, length of time to achieve trial endpoints, additional time requirements for data analysis or New Drug Application ("NDA") or similar foreign application preparation, discussions with Regulatory Authorities, including Regulatory Authorities requesting additional preclinical or clinical data (such as long-term toxicology studies), or encountering unexpected safety or manufacturing issues;
- preclinical study results may show the product candidate to be less effective than desired or to have harmful on-target or off-target side effects;
- imposition of extensive post-marketing approval requirements; or
- the proprietary rights of others and their competing products and technologies that may prevent our product candidates from being commercialized.

Furthermore, the length of time necessary to complete clinical trials and submit an application for regulatory approval for a final decision by a regulatory authority varies significantly from one product candidate to the next and from one country or jurisdiction to the next and may be difficult to predict. Even if we are successful in obtaining regulatory approval, commercial success of any approved products will also depend in large part on the availability of coverage and adequate reimbursement from third-party payors, including government payors such as the Medicare and Medicaid programs and managed care organizations in the United States or country-specific governmental organizations in foreign countries, which may be affected by existing and future healthcare reform measures designed to reduce the cost of healthcare. Third-party payors could require us to conduct additional studies, including post-marketing studies related to the cost effectiveness of a product, to qualify for reimbursement, which could be costly and divert our resources. If government and other healthcare payors were not to provide coverage and adequate reimbursement for our products once approved, market acceptance and commercial success would be reduced. Even if we are able to obtain coverage and adequate reimbursement for our products once approved, there may be features or characteristics of our products, such as dose preparation requirements, that prevent our products from achieving market acceptance by the healthcare or patient communities.

In addition, if any of our product candidates receive marketing approval, we will be subject to significant regulatory obligations regarding the submission of safety and other post-marketing information and reports and registration, and will need to continue to comply (or ensure that our third-party providers comply) with current Good Manufacturing Practice ("cGMPs") and Good Clinical Practice ("GCPs") for any clinical trials that we conduct post-approval. In addition, there is always the risk that we, a Regulatory Authority or a third party might identify previously unknown problems with a product post-approval, such as adverse events ("AEs") of unanticipated severity or frequency. Compliance with these requirements is costly, and any failure to comply or other issues with our product candidates post-approval could adversely affect our business, financial condition and results of operations.

We may encounter substantial delays in the commencement, enrollment or completion of our planned clinical trials or we may fail to demonstrate safety and efficacy to the satisfaction of applicable Regulatory Authorities, which could prevent us from commercializing any product candidates we determine to develop on a timely basis, if at all.

The risk of failure in developing product candidates is high. It is impossible to predict when or if any product candidate would prove effective or safe in humans or will receive regulatory approval. Before obtaining marketing approval from applicable Regulatory Authorities for the sale of any product candidate, we must complete preclinical development, submit an IND or comparable foreign application to permit initiation of clinical studies, and then conduct extensive clinical trials to demonstrate the safety and efficacy of product candidates in humans. We have not yet completed a clinical trial of any product candidate.

Before we can commence clinical trials for a product candidate, we must complete extensive preclinical testing and studies that support our INDs and other regulatory filings. We cannot be certain

of the timely identification of a product candidate or the successful completion or outcome of our preclinical testing and studies and cannot predict whether Regulatory Authorities will accept our proposed clinical programs or whether the outcome of our preclinical testing and studies will ultimately support the further development of any product candidates. Conducting preclinical testing is a lengthy, time-consuming and expensive process. The length of time may vary substantially according to the type, complexity and novelty of the program, and often can be several years or more per program. As a result, we cannot be sure that we will be able to submit INDs or other comparable foreign regulatory submissions for our preclinical programs on the timelines we expect, if at all, and we cannot be sure that submission of INDs will result in the FDA, competent authorities of Member States of the European Union (the "EU Member States"), or other comparable foreign regulatory filings will result in Regulatory Authorities allowing clinical trials to begin.

Furthermore, product candidates are subject to continued preclinical safety studies, which may be conducted concurrently with our clinical testing. The outcomes of these safety studies may delay the launch of or enrollment in future clinical trials and could impact our ability to continue to conduct our clinical trials.

Clinical testing is expensive, is difficult to design and implement, can take many years to complete and is uncertain as to outcome. We cannot guarantee that any clinical trials will be conducted as planned or completed on schedule, or at all. A failure of one or more clinical trials can occur at any stage of testing, which may result from a multitude of factors, including, but not limited to, flaws in trial design, dose selection issues, patient enrollment criteria and failure to demonstrate favorable safety or efficacy traits.

Other events that may prevent successful enrollment, initiation or timely completion of clinical development include:

- we may be unable to generate sufficient preclinical, toxicology or other in vivo or in vitro data to support the initiation of clinical trials;
- delays in reaching a consensus with applicable Regulatory Authorities on trial design or implementation;
- delays in obtaining regulatory authorization to commence a clinical trial;
- delays in reaching agreement on acceptable terms with prospective Contract Research Organizations ("CROs"), other vendors, or clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different vendors and trial sites;
- delays in obtaining approval from one or more institutional review boards ("IRB") or ethics committees refusing to approve, suspending or terminating the trial at an investigational site, precluding enrollment of additional participants, or withdrawing their approval of the trial;
- delays in recruiting suitable patients to participate in our ongoing and planned clinical trials;
- changes to the clinical trial protocol;
- clinical sites deviating from trial protocol or dropping out of a trial;
- delays in manufacturing sufficient quantities of our product candidates for use in clinical trials, or delays in sufficiently developing, characterizing or controlling a manufacturing process suitable for clinical trials;
- delays in having our product candidates being shipped on time, clearing customs and arriving at clinical trial sites intact;
- delays in having patients complete participation in a trial or return for post-treatment follow-up;
- participants choosing an alternative treatment for the indication for which we are developing our product candidates, or participating in competing clinical trials;
- lack of adequate funding to continue a clinical trial;

- occurrence of AEs or serious adverse events ("SAEs") associated with the product candidate that are viewed to outweigh its potential benefits;
- occurrence of SAEs in clinical trials of the same class of agents conducted by other companies;
- imposition of a temporary or permanent clinical hold by Regulatory Authorities;
- selection of clinical trial end points that require prolonged periods of clinical observation or analysis of the resulting data;
- clinical trials producing negative or inconclusive results;
- a facility manufacturing our product candidates or any of their components being ordered by the FDA or comparable foreign authorities to temporarily or permanently shut down due to violations of cGMP regulations or other applicable requirements, contamination or cross-contamination of product candidates in the manufacturing process;
- third-party clinical investigators losing the licenses or permits necessary to perform our clinical trials, not performing our clinical trials on our anticipated schedule or consistent with the clinical trial protocol or other regulatory requirements or committing fraud; or
- changes in regulatory requirements, guidance, or feedback from Regulatory Authorities that require amending or submitting new clinical protocols or otherwise modifying the design of our clinical trials.

We could also encounter delays if a clinical trial is suspended or terminated by us, by the IRBs or ethics committees overseeing the conduct of such trials, by a Data Safety Monitoring Board for such trial or by Regulatory Authorities. Such Regulatory Authorities may impose such a suspension or termination due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by Regulatory Authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a drug, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. In addition, changes in regulatory requirements and policies may occur, and we may need to amend clinical trial protocols to comply with these changes. Amendments may require us to resubmit our clinical trial protocols to IRBs or ethics committees for reexamination and approval, which may impact the costs, timing or successful completion of a clinical trial.

Further, conducting clinical trials in foreign countries, as we are doing and expect to continue to do for our product candidates, presents additional risks that may delay completion of our clinical trials. These risks include the failure of enrolled patients in foreign countries to adhere to clinical protocols as a result of differences in healthcare services or cultural customs, managing additional administrative burdens associated with foreign regulatory requirements, as well as political, currency exchange and other economic risks relevant to such foreign countries. We may face delays in meeting our anticipated timelines for our ongoing and planned clinical trials, which could adversely affect our business, financial condition, results of operations and prospects.

Any inability to successfully complete preclinical and clinical development could result in additional costs to us or impair our ability to generate revenue from future product sales and regulatory and commercialization milestones. In addition, if we make manufacturing or formulation changes to our product candidates, we may need to conduct additional testing to bridge our modified product candidate to earlier versions. Clinical trial delays could also shorten any periods during which we may have the exclusive right to commercialize our product candidates, if approved, or allow our competitors to bring comparable products to market before we do, which could impair our ability to successfully commercialize our product candidates and may harm our business, financial condition, results of operations and prospects.

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

We have limited financial and managerial resources, and to date, we have focused our research and development efforts on RNAi therapeutics targeting thromboembolic disease, Stargardt disease,

and anemia of chronic disease. Correctly prioritizing our research and development activities is particularly important for us due to the breadth of potential product candidates and indications that we believe could be pursued by leveraging our City Platform. As a result, we may forgo or delay pursuit of opportunities with other product candidates or in other therapeutic areas that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to timely 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 products. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate. We must continually assess the potential commercial viability of our research programs and product candidates, and we may decide to pause or discontinue development of any of our product candidates based upon such assessments, even if we obtain positive data from our product candidates in preclinical studies and clinical trials. Similarly, our decisions to delay, terminate, or collaborate with third parties in respect of certain drug development programs may also prove not to be optimal and could cause us to miss valuable opportunities.

We are dependent on the success of our product candidates, including CITY-FXI, CITY-RBP4 and CITY-TFR2, and our ongoing and anticipated clinical trials may not be successful.

Our future success is dependent on our ability to successfully develop and timely obtain marketing approval for, and then successfully commercialize, our current product candidates, including CITY-FXI, CITY-RBP4 and CITY-TFR2. We are investing a substantial portion of our financial and managerial resources in the development of CITY-FXI, our lead product candidate, as well as CITY-RBP4 and CITY-TFR2, including our ongoing Phase 1 clinical trial for CITY-FXI, our planned Phase 1 clinical trial initiation for CITY-RBP4 in late 2026, our planned IIT initiation for CITY-TFR2 in China in late 2026 and our planned IND or IND-equivalent application submission for CITY-TFR2 in late 2026 and Phase 1/2 clinical trial initiation in early 2027.

Our product candidates will require additional clinical development, evaluation of clinical, preclinical and manufacturing activities, marketing approval in multiple jurisdictions, substantial investment and significant marketing efforts before we generate any revenues from product sales. We are not permitted to market or promote these product candidates, or any other product candidates, before we receive marketing approval from the applicable Regulatory Authorities, and we may never receive such marketing approvals.

The success of our product candidates will depend on a variety of factors. We do not have control over many of these factors, including certain aspects of clinical development and the regulatory submission and review process, potential threats to our intellectual property rights and our manufacturing, marketing, distribution and sales efforts or those of any current or future collaborator. In addition, we do not have control over whether products that target the same indications as our product candidates are introduced, which could impact the competitiveness of our product candidates. Accordingly, we cannot assure you that we will ever be able to generate revenue through the sale of these product candidates, even if approved. If we are not successful in developing and commercializing CITY-FXI, CITY-RBP4 or CITY-TFR2, or any other product candidate, or are significantly delayed in doing so, our business will be materially harmed.

Our current and future clinical trials or those of our future collaborators may reveal significant AEs or undesirable side effects not seen in our preclinical studies and may result in a safety profile that could halt clinical development, inhibit regulatory approval, limit commercial potential, or market acceptance of any of our current or future product candidates.

There is typically an extremely high rate of attrition for product candidates across categories of medicines proceeding through clinical trials. These product candidates may fail to show the desired safety and efficacy or safety, purity and potency profile in later stages of clinical trials despite having progressed through preclinical studies and initial clinical trials. A number of companies in the

biopharmaceutical industry have suffered significant setbacks in later-stage clinical trials due to lack of efficacy or unacceptable safety profiles, notwithstanding promising results in earlier trials. Most product candidates that commence clinical trials are never approved as products and there can be no assurance that any of our current or future clinical trials will ultimately be successful or support further clinical development of any of our product candidates.

Undesirable side effects caused by our product candidates, whether used alone or in combination with other therapies, could cause us or Regulatory Authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label, if approved, or otherwise result in the delay or denial of regulatory approval by Regulatory Authorities. We may observe unexpected and undesirable safety or tolerability issues with our product candidates in ongoing or future clinical trials. For example, our most advanced product candidate, CITY-FXI, is being developed to be injected subcutaneously. There are risks inherent in subcutaneous injections, such as injection-site reactions (such as redness, itching, swelling, pain and tenderness) and other side effects.

If significant AEs or unacceptable side effects are observed in any of our current or future clinical trials, we may have difficulty recruiting potential trial participants to any of our clinical trials, existing trial participants may withdraw from trials, or we may be required to abandon the trials or our development efforts of one or more product candidates altogether. We, Regulatory Authorities or an IRB or ethics committee, may impose a clinical hold, suspend or terminate clinical trials of a product candidate at any time for various reasons, including a belief that participants in such trials are being exposed to unacceptable health risks or adverse side effects. Some potential therapeutics developed in the biotechnology industry that initially showed therapeutic promise in early-stage trials have later been found to cause side effects that prevented their further development. In addition, these side effects may not be appropriately recognized or managed by the treating medical staff. We may need to train medical personnel using our product candidates to understand the side effect profiles for our clinical trials and upon any commercialization of any of our product candidates. Inadequate training in recognizing or managing the potential side effects of any of our product candidates could result in harm to patients that are administered any of our product candidates. Even if the side effects do not preclude the drug from obtaining or maintaining marketing approval, unfavorable benefit risk ratio may inhibit market acceptance of the approved product due to its tolerability versus other therapies. In addition, an extended half-life could prolong the duration of undesirable side effects, which could also inhibit market acceptance. Any of these developments could materially harm our business, financial condition, results of operations and prospects.

Moreover, clinical trials are conducted in carefully defined sets of patients who have agreed to enter into clinical trials. Consequently, it is possible that our clinical trials may indicate an apparent positive effect of a product candidate that is greater than the actual positive effect, if any, or alternatively fail to identify undesirable side effects.

In addition, even if we successfully advance our product candidates or any future product candidates through clinical trials, such trials will only include a limited number of patients and limited duration of exposure to our product candidates. As a result, we cannot be assured that adverse effects of our product candidates will not be uncovered when a significantly larger number of patients are exposed to the product candidate after approval. Further, any clinical trials may not be sufficient to determine the effect and safety consequences of using our product candidates over a multi-year period.

If any of the foregoing events occur or if one or more of our product candidates prove to be unsafe, our entire pipeline or our City Platform could be affected, which would have a material adverse effect on our business, financial condition, results of operations and prospects.

If our clinical trials fail to replicate positive results from earlier preclinical studies or clinical trials conducted by us or third parties, we may be unable to successfully develop, obtain regulatory approval for or commercialize our product candidates.

The results observed from preclinical studies or early-stage clinical trials of CITY-FXI or any other product candidates may not necessarily be predictive of the results of later-stage clinical trials that we conduct. Similarly, positive results from preclinical studies or early-stage clinical trials may not be

replicated in our subsequent preclinical studies or clinical trials. For instance, the generally well-tolerated profile and FXI knockdown observed in the initial first three cohorts of our ongoing Phase 1 clinical trial for CITY-FXI in healthy volunteers, together with the preclinical results observed in NHPs and cell-based assays, may not translate to similar results in later-stage clinical trials or in patients with thrombotic disease. In addition, the degree or duration of FXI knockdown, the tolerability profile, or any potential therapeutic benefit observed in healthy volunteers may not be replicated in larger or more diverse patient populations, and future clinical trials may identify AEs or other findings that were not observed in our early-stage studies. Even if CITY-FXI demonstrates favorable tolerability and pharmacodynamic activity in our ongoing Phase 1 study, such results may not be sufficient to support advancement into later-stage clinical development or ultimately support regulatory approval. Furthermore, our product candidates may not be able to demonstrate similar activity or AE profiles as those observed in earlier studies and trials, and we may not have generated sufficient safety data to support a marketing application by the time of our targeted submission as other third-party products or product candidates that we believe may have similar profiles. In addition, in our planned future clinical trials, we may utilize clinical trial designs or dosing regimens that have not been tested in prior clinical trials.

There can be no assurance that any of our clinical trials will ultimately be successful or support further clinical development of CITY-FXI or any other product candidates. There is a high failure rate for drugs proceeding through clinical trials. Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in late-stage clinical trials after achieving positive results in early-stage development, and we cannot be certain that we will not face similar setbacks. These setbacks have been caused by, among other things, adverse safety or efficacy observations made in clinical trials.

Additionally, we intend to utilize an “open-label” clinical trial design for certain of our clinical 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 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 in open-label clinical trials are aware when they are receiving treatment. Open-label clinical trials 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. 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 of a product candidate when studied in a controlled environment with a placebo or active control.

Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses and many companies that believed their product candidates performed satisfactorily in preclinical studies and clinical trials nonetheless failed to obtain approval from Regulatory Authorities.

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

From time to time, we may publicly disclose interim, preliminary or topline data from our preclinical studies and clinical trials, which are based on a preliminary analysis of then-available data, and the results and related findings and conclusions are subject to change following a more comprehensive review of the data related to the particular study or trial. We also make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully and carefully evaluate all data. As a result, the topline or preliminary results that we report may differ from future results of the same studies, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated. Topline and preliminary data also remain subject to audit and verification procedures that may result in the final data being materially different from the topline or preliminary data we previously made public. As a result, topline and preliminary data should be viewed with caution until the final data are available. From time to time, 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 topline, preliminary or interim data and final data could significantly harm our business prospects, financial condition, results of operations and prospects.

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

The manufacture of biopharmaceutical products is a complex process which requires significant expertise and capital investment, and if we encounter problems in our collaboration with third parties for the manufacture for clinical or commercial scale or in the manufacture of our future product candidates, our business could suffer.

We currently do not have cGMP manufacturing capabilities and we are entirely dependent on third-party contractors, including contract development and manufacturing organizations ("CDMOs"), to manufacture our product candidates for our clinical trials and preclinical studies, and we expect to rely on third-party CDMOs for the production of commercial quantities of our products in accordance with cGMP regulations if we obtain regulatory and marketing approvals. The manufacture of biopharmaceutical products is a complex process, in part due to strict regulatory requirements. If we are unable to identify and maintain collaboration with third-party CDMOs, or fail to do so in a timely manner or on advantageous terms, this may lead to significant delays in the clinical supply of our product candidates as well as the commercial manufacturing of our products once regulatory and marketing approvals have been obtained, if ever. In turn, this could delay our clinical trials, negatively impact our ability to ultimately obtain regulatory approval and materially harm any future commercialization plans. Additionally, we may not be able to establish our chemistry, manufacturing and controls ("CMC") and quality control capabilities, which are essential for regulatory compliance and product quality assurance, and any failure to develop these capabilities, including any failure to recruit and retain and motivate qualified CMC and quality control personnel, could further delay our manufacturing and commercialization efforts.

In addition, since we have no history of commercializing pharmaceutical products, we may face additional challenges in developing qualified teams and acquiring the necessary expertise to oversee third-party manufacturing processes. Any delay or failure to establish adequate CMC, quality control and manufacturing oversight capabilities may result in problems that arise during the manufacturing process for a variety of reasons, including, but not limited to, equipment malfunction, failure to follow specific protocols and procedures, problems with (including shortage of) raw materials, global supply chain issues (such as trade barriers, export restrictions and other impediments to the cross-border movement of materials and goods), and limits to manufacturing capacity due to regulatory requirements, changes in the types of products produced, increases in the prices of raw materials, physical limitations that could inhibit continuous supply, man-made or natural disasters and environmental factors. If problems arise during the production of a batch of future products, that batch of future products may have to be discarded and we may experience product shortages or incur added expenses. This, as well as problems that may arise during the manufacturing process, could, among other things, lead to significant additional costs and/or delays, lost revenue, damage to customer relationships, time and

expense spent investigating the cause and, depending on the cause, similar losses with respect to other batches or product candidates. If problems are not discovered before such product is released to the market, recall and product liability costs may also be incurred.

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

Our future growth may depend, in part, on our ability to develop and commercialize our product candidates in foreign markets for which we may rely on collaboration with third parties. Recent and ongoing changes in the United States trade policy with foreign countries, including the continued uncertainty surrounding United States tariffs and potential retaliatory measures by foreign governments may disrupt the global supply chain for biopharmaceutical products. For example, in September 2025, President Trump announced plans to impose 100% tariffs on imported branded or patented pharmaceuticals, unless the importing company is building United States manufacturing capacity. It is not yet clear whether these tariffs would apply to the importation of active pharmaceutical ingredients ("APIs") and possibly bulk drug products that are intended for use in clinical trials and not for commercial sale, which could increase the costs of materials for our clinical trials. Any direct tariffs, if imposed on pharmaceutical products, may result in increased costs for raw materials and contract manufacturing services, reduced ability to source critical CDMO arrangements, and a delay in our development timelines.

We are not permitted to market or promote any of our product candidates before we receive regulatory approval from the applicable foreign regulatory authority and may never receive such regulatory approval for any of our product candidates. To obtain separate regulatory approval in many other countries, we must comply with numerous and varying regulatory requirements of such countries regarding safety and efficacy and governing, among other things, clinical trials and commercial sales, pricing and distribution of our product candidates, and we cannot predict success in these jurisdictions. If we fail to comply with the regulatory requirements in international markets and receive applicable marketing approvals, our target market will be reduced and our ability to realize the full market potential of our product candidates will be harmed and our business will be adversely affected. Moreover, even if we obtain approval of our product candidates and ultimately commercialize our product candidates in foreign markets, we would be subject to the risks and uncertainties, including the burden of complying with complex and changing foreign regulatory, tax, accounting and legal requirements and reduced protection of intellectual property rights in some foreign countries.

The biopharmaceutical market is intensely competitive. If we or our collaborators are unable to compete effectively with existing drugs, new treatment methods, and new technologies, including with respect to our specific product candidates CITY-FXI, CITY-RBP4 and CITY-TFR2, we may be unable to successfully commercialize any drugs that we develop.

The biopharmaceutical industry is characterized by rapidly advancing technologies, intense competition, and a strong emphasis on proprietary and novel products and product candidates. We face a broad spectrum of current and potential competitors, ranging from very large, global pharmaceutical companies with significant resources to other biotechnology companies with resources and expertise comparable to our own. We believe that for most or all of our drug development programs, there will be one or more competing programs in other companies. In many cases, the companies with competing programs will have access to greater resources and expertise than we do and may be more advanced. As RNAi therapies expand beyond rare diseases to other more common conditions, an increasing number of companies are investing in and developing RNAi therapeutics, as well as potentially new approaches that may result in more rapid development of RNAi therapeutics or more effective technologies for RNAi drug development or delivery. Companies that have developed, or are developing, siRNA therapeutics include ADARx Pharmaceuticals, Inc., Alnylam, Amgen Inc., Argo Biopharmaceutical Co., Ltd., Aro Biotherapeutics Co., Arrowhead Pharmaceuticals, Inc., AstraZeneca plc, Dyne Therapeutics, Inc., Eli Lilly and Company, GlaxoSmithKline plc, Ionis Pharmaceuticals, Inc., Novartis AG, Novo Nordisk A/S, SanegeneBio Inc., Sarepta Therapeutics, Inc., Silence Therapeutics plc, and Sirius Therapeutics, Inc. Many of our competitors have:

- substantially greater financial, technical and human resources than we have;
- more extensive experience in preclinical testing, conducting clinical trials, obtaining regulatory approvals and in manufacturing, marketing and selling products;
- product candidates that are based on previously tested or accepted technologies;
- products that have been approved or are in late stages of development; and
- collaborative arrangements in our target markets with leading companies and research institutions.

Accordingly, our competitors may be more successful than us in obtaining patent protection, regulatory exclusivities or FDA approval and may commercialize products or achieve widespread market acceptance more rapidly than we do, which may impact future approvals or sales of our product candidates that receive regulatory approval. If the FDA approves the commercial sale of our product candidates, we will also be competing with respect to marketing capabilities and manufacturing efficiency. We expect competition among products will be based on product efficacy and safety, the timing and scope of regulatory approvals, availability of supply, marketing and sales capabilities, product price, reimbursement coverage by government and private third-party payors, regulatory exclusivities and patent position, among other factors. Our profitability and financial position will suffer if our product candidates receive regulatory approval but cannot compete effectively in the marketplace. Our competitors have developed, are developing or may develop product candidates and products competitive with CITY-FXI, CITY-RBP4 and CITY-TFR2 and our other programs and product candidates. CITY-FXI, CITY-RBP4 and CITY-TFR2 and any future product candidates that we successfully develop and commercialize will compete with existing therapies and new therapies that may become available in the future.

Our lead product candidate, CITY-FXI, is being developed for thromboembolic diseases through silencing of coagulation FXI. Multiple therapeutic approaches targeting FXI are currently in development, including small molecules, monoclonal antibodies and RNAi therapeutics. Companies active in this field include ADARx Pharmaceuticals, Inc., Bayer AG, Bristol-Myers Squibb Company, CRISPR Therapeutics AG (in partnership with Sirius Therapeutics, Inc.), Johnson & Johnson, Novartis AG, Regeneron Pharmaceuticals, Inc., and others. CITY-RBP4 is being developed for Stargardt disease, for which current treatment options are limited. Numerous companies are developing potential therapies for Stargardt disease using a variety of approaches, including visual cycle modulation, gene therapy, gene editing and RNA-based therapeutics. Companies active in this area include Alkeus Pharmaceuticals, Inc., Belite Bio, Inc. and others. CITY-TFR2 is being developed for anemia of chronic disease. Therapeutic approaches under development or in clinical use include hepcidin-targeted agents, including a monoclonal antibody from Disc Medicine, Inc., erythropoiesis-stimulating agents, hypoxia-inducible factor prolyl hydroxylase inhibitors, iron replacement therapies and other approaches intended to improve iron availability or erythropoiesis.

These drugs may be more effective, safer, less expensive or marketed and sold more effectively, than any products we develop. In most cases, we do not currently plan to run head-to-head clinical trials evaluating our product candidates against the current standards of care, which may make it more challenging for our product candidates to compete against the current standards of care due to the lack of head-to-head clinical trial data.

If we successfully develop any product candidates, and obtain approval for them, we expect to face competition based on many different factors, including: the safety and effectiveness of our products relative to alternative therapies, if any; the ease with which our products can be administered and the extent to which patients accept relatively new routes of administration; the timing and scope of regulatory approvals for these product candidates; the availability and cost of manufacturing, marketing and sales capabilities; the price of any approved product; reimbursement coverage; and patent position. See the section titled "*Business — Competition*" included elsewhere in this prospectus for examples of the competition that we face.

In addition, our competitors may develop partnership, collaboration and licensing arrangements with or receive funding from larger pharmaceutical or biotechnology companies, providing them with an

advantage over us. Our competitors may also succeed in developing, acquiring or licensing technologies and drug products that are more effective or less costly than our product candidates, which could render our product candidates obsolete and noncompetitive. Our competitors may therefore be more successful in commercializing their products than we are, which could adversely affect our competitive position and business. Competitive products may make any products we develop obsolete or noncompetitive before we can recover the expenses of developing and commercializing our products, if approved.

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. Moreover, we may also compete with universities, governmental agencies and other public and private research institutions that may be active in research in our target indications and could be in direct competition with us. These third parties compete with us in recruiting and retaining qualified scientific, management and clinical development personnel and establishing clinical trial sites, as well as in acquiring technologies complementary to, or necessary for, our product candidates, and in identifying and in-licensing intellectual property related to new product candidates, as well as entering into partnerships, collaborations and other license arrangements. Our inability to compete successfully for such personnel, sites, intellectual property and arrangements could negatively affect our level of expertise and our ability to execute our business plan.

We and our collaborators face competition from other companies that are working to develop novel drugs and technology platforms using technology similar to ours, as well as from companies utilizing emerging technologies. If these companies develop drugs more rapidly than we or our collaborators do or their technologies, including delivery technologies, are more effective, our and our collaborators' ability to successfully commercialize our products may be adversely affected.

In addition to competition from companies developing therapies for the same indications, we and our collaborators face competition from other companies developing RNAi therapeutics and other technologies that compete more directly with our own. As RNAi therapies expand beyond rare diseases to other more common conditions, an increasing number of companies are investing in and developing RNAi therapeutics, as well as potentially new approaches that may result in more rapid development of RNAi therapeutics or more effective technologies for RNAi drug development or delivery. We are aware of several other companies that are working to develop RNAi therapeutics. Some of these companies are seeking, as we are, to develop chemically synthesized siRNAs as drugs. Others are following a gene therapy approach, with the goal of treating patients with synthetic, exogenously-introduced genes designed to produce siRNA-like molecules within cells. Our competitors may develop RNAi technology more rapidly and more effectively than we do.

In addition to competition with respect to RNAi and specific product candidates, we face substantial competition to discover and develop safe and effective means of delivering RNAi therapeutics to the relevant cells and tissues. If our competitors develop superior or more effective delivery technologies, our ability to successfully develop and commercialize our product candidates could be adversely affected. In addition, third parties, including private companies and academic institutions, are expending substantial resources to discover and develop safe and effective means of delivering RNAi therapeutics to the relevant cells and tissues. Some of our competitors have substantially greater resources than we do, and if they obtain exclusive rights to delivery technologies developed by third parties, our ability to develop and successfully commercialize our product candidates could be adversely affected.

If the market opportunities for our product candidates are smaller than we believe they are, our revenue may be adversely affected and our business may suffer.

The estimates of market opportunity and forecasts of market growth included in documents that we file with the SEC may prove to be smaller than we believe, and even if the markets in which we compete achieve the forecasted growth, our business may not grow at similar rates, or at all. Our pipeline is

focused on developing RNAi therapeutics designed to suppress disease-relevant hepatic and extra-hepatic targets for diseases with significant unmet medical need, including thromboembolic disease, Stargardt disease, and anemia of chronic disease. Our projections of both the number of people who have these diseases, as well as the subset of people with these diseases who have the potential to benefit from treatment with our product candidates, are based on estimates and independent market research, industry and general publications obtained from third parties. Market opportunity estimates and growth forecasts included in this prospectus and the other documents that we file with the SEC are subject to significant uncertainty and are based on assumptions and estimates. These estimates, which have been derived from a variety of sources, including scientific literature, surveys of clinics, patient foundations and market research, may prove to be incorrect. Further, new studies may change the estimated incidence or prevalence of these indications. Additionally, the potentially addressable patient population may not ultimately be amenable to treatment with our product candidate if we cannot achieve our intended dosing interval. Our market opportunity may also be limited by current and future products of our competitors that are already available in the market or may enter the market for such patients. If any of our estimates prove to be inaccurate, the market opportunity for our product candidates could be significantly diminished and have an adverse material impact on our business.

The market may not be receptive to our product candidates based on a novel therapeutic modality, and we may not generate any future revenue from the sale, licensing, or royalties related to product candidates.

Even if approval is obtained for a product candidate, we may not generate or sustain revenue from sales, licensing, or royalties related to the product due to factors such as whether the product can be sold at a competitive cost and otherwise accepted in the market. The product candidates that we are developing are based on new technologies and therapeutic approaches. Market participants with significant influence over acceptance of new treatments, such as physicians and third-party payors, may not adopt a treatment based on siRNA technology for the indications we are targeting, and we may not be able to convince the medical community and third-party payors to accept and use, or to provide favorable reimbursement for, our product candidates. Market acceptance of our product candidates will depend on, among other factors: the timing of our receipt of any marketing and commercialization approvals; the terms of any approvals and the countries in which approvals are obtained; the clinical indications for which our product candidates are approved; the safety and efficacy of our product candidates, and physicians' and patients' perception of our product candidates as a safe and effective treatment; the frequency and severity of any adverse side effects associated with our product candidates; limitations or warnings contained in any labeling approved by Regulatory Authorities; relative convenience and ease of administration of our product candidates; the willingness of patients to accept any new methods of administration; the success of our physician education programs; the availability of adequate government and third-party payor reimbursement; the pricing of our products, particularly as compared to alternative treatments; the potential and perceived advantages of our product candidates over alternative treatments; availability of alternative effective treatments for the disease indications our product candidates are intended to treat and the relative risks, benefits and costs of those treatments; the inclusion in government-sponsored medical insurance programs, or by third-party payors; the willingness of patients to pay out-of-pocket in the absence of coverage and reimbursement by third-party payors and government authorities; and the effectiveness of our sales and marketing efforts.

With our focus on the growing field of RNAi therapeutics, these risks may increase to the extent the space becomes more competitive or less favored in the commercial marketplace. Market size is also a variable in disease indications not classified as rare. Our estimates regarding potential market size for any indication may be materially different from what we discover to exist at the time it commences commercialization, if any, for a product, which could result in significant changes in our business plan and have a material adverse effect on our business, financial condition, results of operations and prospects. Even if a potential product displays a favorable efficacy and safety profile in preclinical and clinical studies, market acceptance of the product will not be fully known until after it is launched. Our efforts to educate the medical community and third-party payors on the benefits of the product candidates may require significant resources and may never be successful. If our product candidates are approved but

fail to achieve an adequate level of acceptance by physicians, patients, third-party payors, and others in the medical community, we will not be able to generate sufficient revenue for us to become or remain profitable.

Also, we may not generate any future revenue from the sale or licensing of product candidates as we have no track record with no experience in launching and marketing approved drugs. Our financial performance depends on the successful development, regulatory approval and subsequent launching and marketing of our product candidates, which are in early-stage clinical and preclinical development. As all of our drug candidates are in the development stage, we have not yet demonstrated an ability to commercialize any of our drug candidates, if approved. Our ability to successfully commercialize approved drugs may involve more inherent risk, take longer, and cost more than it would if we were a company with experience launching and marketing approved drugs.

We may decide to build up our in-house commercialization and distribution capabilities to maximize our product offering and expedite market acceptance of our products. In such case, we will have to compete with other pharmaceutical and biopharmaceutical companies to recruit, hire, train and retain marketing and sales personnel. There can be no assurance that we will be able to develop and successfully maintain in-house sales and commercial distribution capabilities to successfully commercialize any of our product candidates, if and when approved, and as a result, we may not be able to generate sales revenue as planned.

If we are unable to, or decide not to, develop internal sales, marketing and commercial distribution capabilities, we will likely pursue collaborative arrangements regarding the sales and marketing of our approved drugs. However, there can be no assurance that we will be able to establish or maintain such collaborative arrangements, or that we will have effective sales forces after establishing such collaborative arrangements. Any revenue we receive will depend upon the efforts of such third parties. We would 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 in a cost-effective manner. We also face competition in our search for third parties to assist us with the sales and marketing efforts for our product candidates. In case we cannot develop and successfully maintain in-house sales and commercial distribution capabilities or collaborate with third parties to successfully commercialize our products, we may not be able to generate product sales revenue and our business and prospects may suffer.

The insurance coverage and reimbursement status of newly approved products, in a new category of medicines, is uncertain. Failure to obtain or maintain adequate coverage and reimbursement for new or current products could limit our ability to market those products and decrease our ability to generate revenue.

The availability and extent of reimbursement by governmental and private payors is essential for most patients to be able to afford expensive treatments such as the products that we hope to develop and sell. Sales of our product candidates, if approved and commercialized, will depend substantially, both domestically and abroad, on the extent to which the costs of our product candidates will be paid by health maintenance, managed care, pharmacy benefit and similar healthcare management organizations or reimbursed by government health administration authorities, private health coverage insurers and other third-party payors. Even if coverage is provided, the approved reimbursement amount may not be high enough to allow us to establish or maintain pricing sufficient to realize a sufficient return on our investment in any of our products. If reimbursement is not available, or is available only to limited levels, we may not be able to successfully commercialize our product candidates.

There is significant uncertainty related to the insurance coverage and reimbursement of newly approved products. Government authorities and other 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. Coverage and reimbursement by a third-party payor may depend upon a number of factors, including 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.

In the United States, no uniform policy of coverage and reimbursement for products exists among third-party payors. The Centers for Medicare & Medicaid Services (“CMS”), an agency within the United States Department of Health and Human Services (“HHS”), determines whether and to what extent a new medicine will be covered and reimbursed under Medicare. Private payors tend to follow CMS to a substantial degree. It is difficult to predict what CMS will decide with respect to reimbursement for products.

Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. We cannot be sure that reimbursement will be available for our product candidates that we commercialize and, if reimbursement is available, the level of reimbursement. In addition, many biopharmaceutical manufacturers must calculate and report certain price reporting metrics to the government, such as average sales price and best price. Penalties may apply in some cases when such metrics are not submitted accurately and timely. Further, these prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs. Payment methodologies may be subject to changes in healthcare legislation and regulatory initiatives.

Outside the United States, certain countries, including a number of EU Member States, set prices and reimbursement for pharmaceutical products, or medicinal products, as they are commonly referred to in the European Union, with limited participation from the marketing authorization holders. Reimbursement agencies in Europe may be more conservative than CMS. For example, a number of cancer drugs have been approved for reimbursement in the United States and have not been approved for reimbursement in certain European countries. We cannot be sure that such prices and reimbursement will be acceptable to us or our collaboration partners. If Regulatory Authorities in these foreign jurisdictions set prices or reimbursement levels that are not commercially attractive for us or our collaboration partners, our revenues from sales by us or our collaboration partners and the potential profitability of our products in those countries would be negatively affected. An increasing number of countries are taking initiatives to attempt to reduce large budget deficits by focusing cost-cutting efforts on pharmaceuticals for their state-run health care systems. These international price control efforts have impacted all regions of the world but have been most drastic in the European Union.

Additionally, the requirements governing product pricing vary widely from country to country. Some countries require approval of the sale price of a product before it can be marketed, while in others, the pricing review period begins after marketing or product licensing approval is granted. As a result, we might obtain marketing approval for a product in a particular country, but then may experience delays in the reimbursement approval of our product or be subject to price regulations that would delay our commercial launch of the product, possibly for lengthy time periods, which could negatively impact the revenues we are able to generate from the sale of the product in that particular country. For example, the European Union provides options for its Member States to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. To obtain reimbursement or pricing approval, some of these countries may require the completion of clinical trials that compare the cost effectiveness of a particular product candidate to currently available therapies. A Member State may approve a specific price for the medicinal product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market. There can be no assurance that any country that has price controls or reimbursement limitations for pharmaceutical products will allow favorable reimbursement and pricing arrangements for our product candidates. Historically, products launched in the European Union do not follow price structures of the United States and generally prices tend to be significantly lower.

Moreover, increasing efforts by governmental and third-party payors, in the United States and abroad, to cap or reduce healthcare costs may cause such organizations to limit both coverage and level of reimbursement for new products approved and, as a result, they may not cover or provide adequate payment for our product candidates.

We expect to experience pricing pressures in connection with the sale of any of our product candidates, if approved and commercialized, due to the trend toward managed healthcare, the increasing

influence of health maintenance organizations and additional legislative changes. The downward pressure on healthcare costs in general, particularly prescription drugs and surgical procedures and other treatments, has become very intense. As a result, increasingly high barriers are being erected to the entry of new products. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability or commercialize our products.

For more information on the laws and regulations that may impact coverage and reimbursement of our product candidates, see the section titled "*Business — Government Regulation — Coverage and Reimbursement*" and "*— Healthcare Reform and Other Regulatory Changes*" included elsewhere in the prospectus.

Our operations, including our relationships with healthcare providers, physicians and third-party payers, are subject to applicable anti-kickback, fraud and abuse, and other healthcare laws and regulations, which, in the event of a violation, exposes us to liability for criminal sanctions, civil penalties, and contractual damages, and reputational harm and diminished profits and future earnings.

Our operations, including any arrangements that we enter into with healthcare providers, physicians, and third-party payers, are subject to broadly applicable fraud and abuse and other healthcare laws and regulations. Such laws and regulations, including applicable United States federal and state healthcare laws and regulations, as well as foreign laws, such as the federal Anti-Kickback Statute, the False Claims Act, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the Physician Payments Sunshine Act, or the Foreign Corrupt Practices Act, may constrain our operation and the business or financial arrangements through which we can market, sell and distribute any product candidates for which we obtain marketing approval. For more information, please see *"Business — Government Regulation and Product Approval-Other Healthcare Laws and Compliance Requirements*."

Efforts to confirm that our business arrangements with third parties comply with applicable healthcare laws and regulations involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may become subject to significant civil, criminal and administrative penalties, damages, fines, imprisonment, exclusion of products from government funded healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations, and compliance and reporting obligations that could adversely affect our revenues, financial condition or results of operations. If any of the physicians or other healthcare providers or entities with whom we expect to do business are found to be not in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs.

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

We and our current and future third-party CDMOs are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our operations will involve the use of hazardous and flammable materials, including chemicals and biological materials. Our operations also may produce hazardous waste products. We generally anticipate contracting with third parties for the disposal of these materials and wastes. We will not be able to eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from any use by us of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties for failure to comply with such laws and regulations.

Although we maintain general liability insurance as well as workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities.

We do not maintain insurance for environmental liability or toxic tort allegations that may be asserted against us in connection with our storage or disposal of biological or hazardous materials.

In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or production efforts. Our failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

Further, with respect to the operations of our current and any future CDMOs, it is possible that if they fail to operate in compliance with applicable environmental, health and safety laws and regulations or properly dispose of wastes associated with our products, we could be held liable for any resulting damages, suffer reputational harm or experience a disruption in the manufacture and supply of our product candidates. In addition, our supply chain may be adversely impacted if any of our CDMOs become subject to injunctions or other sanctions as a result of their non-compliance with environmental, health and safety laws and regulations.

Risks Related to Government Regulatory and Legal Requirements

While we may in the future seek designations for our product candidates with Regulatory Authorities that are intended to confer benefits such as a faster development process, a streamlined review or regulatory exclusivity, there can be no assurance that we will successfully obtain such designations. In addition, even if our product candidates are granted such designations, we may not be able to realize the intended benefits of such designations, or maintain such designations.

Regulatory Authorities offer certain designations for product candidates that are designed to encourage the research and development of product candidates that are intended to address serious conditions. These designations may confer benefits such as additional interaction with Regulatory Authorities, streamlined development pathways and expedited review procedures. However, there can be no assurance that we will qualify for or successfully obtain such designations for our product candidates. In addition, while such designations could expedite the development or approval process, they generally do not change the standards for approval. Even if we obtain such designations for our product candidates, there can be no assurance that we will realize their intended benefits.

We may also seek Breakthrough Therapy Designation for any product candidate that we develop. A breakthrough therapy is defined as a drug that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over currently approved therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. For drugs that have been designated as breakthrough therapies, interaction and communication between the FDA and the sponsor of the trial can help to identify the most efficient path for clinical development while minimizing the number of patients placed in ineffective control regimens. Drugs designated as breakthrough therapies by the FDA are also eligible for accelerated approval and priority review.

Designation as a breakthrough therapy is within the discretion of the FDA. Accordingly, even if we believe a product candidate we develop meets the criteria for designation as a breakthrough therapy, the FDA may disagree and instead determine not to make such designation. In any event, the receipt of Breakthrough Therapy Designation for a product candidate may not result in a faster development process, review, or approval compared to drugs considered for approval under conventional FDA procedures and does not assure ultimate approval by the FDA. In addition, even if any product candidate we develop qualifies as a breakthrough therapy, the FDA may later decide that the drug no longer meets the conditions for qualification and rescind the designation.

Even in the absence of obtaining certain designations, a sponsor can seek priority review at the time of submitting a marketing application. The FDA may designate an application for priority review if the product is intended to treat a serious condition and, if approved, would provide a significant improvement in safety or effectiveness when compared with other available therapies. Significant

improvement may be illustrated by evidence of increased effectiveness in the treatment of a condition, elimination or substantial reduction of a treatment-limiting adverse reaction, documented enhancement of patient compliance that may lead to improvement in serious outcomes, or evidence of safety and effectiveness in a new subpopulation. A priority review designation is intended to direct overall attention and resources to the evaluation of such applications, and to shorten the FDA's goal for acting on a marketing application from ten months to six months. Priority review designation may be rescinded if a product no longer meets the qualifying criteria.

We may in the future seek orphan drug designation for our product candidates. However, even if we obtain orphan drug designation, we may be unable to maintain the associated benefits, including the potential for market exclusivity.

We may seek orphan drug designation or exclusivity in certain indications targeted by our current or future product candidates. Regulatory authorities in some jurisdictions, including the United States and Europe, may designate drugs for relatively small patient populations as orphan drugs. For example, under the Orphan Drug Act, the FDA may designate a product candidate as an orphan drug if it is intended to treat a rare disease or condition. In order for the FDA to grant orphan drug exclusivity to one of our product candidates, the agency must find that the product candidate is indicated for the treatment of a condition or disease that affects fewer than 200,000 individuals in the U.S. or that affects 200,000 or more individuals in the U.S. and for which there is no reasonable expectation that the cost of developing and making the product candidate available for the disease or condition will be recovered from sales of the product in the U.S. Orphan drug designation must be requested before submitting an NDA. The FDA may conclude that the condition or disease for which we seek orphan drug exclusivity does not meet the required standard.

If a product that has orphan drug designation subsequently receives the first FDA approval for a particular drug for the disease for which it has such designation, the product is entitled to orphan product exclusivity, which means that the FDA may not approve any other applications to market the same drug for the same approved use or indication for seven years, except in limited circumstances, such as if the FDA finds that the holder of the orphan drug exclusivity has not shown that it can assure the availability of sufficient quantities of the orphan drug to meet the needs of patients with the disease or condition for which the drug was designated.

In addition, even after an orphan drug is approved, the FDA can subsequently approve the same product candidate for the same condition if the FDA concludes that the later product candidate is clinically superior in that it is shown to be safer, more effective or makes a major contribution to patient care compared with the product that has orphan exclusivity. In the U.S., orphan drug designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages, and user-fee waivers. After the FDA grants orphan drug designation, the generic identity of the drug or biologic and its potential orphan use are disclosed publicly by the FDA. Orphan drug designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process.

A similar regulatory scheme governs approval of orphan product candidates by the EMA in the European Union. Generally, if a product with an orphan drug designation subsequently receives the first marketing approval for the indication for which it has such designation, the product is entitled to a period of marketing exclusivity, which precludes the FDA or the EMA (as applicable) from approving another marketing application for the same or another similar product candidate for the same orphan therapeutic indication for that time period. The applicable period is seven years in the U.S. and ten years in the European Union. The exclusivity period in the European Union can be reduced to six years if at the end of the fifth year it is determined that a product no longer meets the criteria for orphan designation, including if the product is sufficiently profitable so that market exclusivity is no longer justified.

We may encounter risks associated with our planned investigator-initiated trial in China for CITY-TFR2, which could delay or adversely affect the development of CITY-TFR2.

Our development strategy for CITY-TFR2 includes a planned IIT in China to establish initial clinical proof-of-concept in patients with anemia associated with myelofibrosis. IITs are clinical studies that are

initiated, sponsored and conducted by independent investigators and/or institutions rather than by us, with the applicable investigators and/or institutions generally responsible for the conduct of the study and compliance with applicable requirements. IITs are governed under the oversight of the National Health Commission in China and implemented within accredited medical institutions. Approval by the local ethics committee and compliance with China Good Clinical Practice are mandatory requirements for IIT conduct. We expect the IIT to complement our planned IND or IND-equivalent application submission and Phase 1/2 clinical trial in other geographies. Because the IIT is an important component of our early clinical development strategy for CITY-TFR2, delays, operational challenges, regulatory issues, or an inability to obtain or utilize data from the IIT could delay the development of CITY-TFR2, affect our ability to advance the program into later-stage clinical development, or otherwise adversely affect our business.

In July 2026, we entered into an IIT study agreement with Overland Therapeutics (SH) Co. Ltd. ("Overland"), a biotechnology company that has operations in the United States and China, to support the conduct of the IIT. Pursuant to the agreement, we will provide support for the IIT, supply CITY-TFR2 and fund covered study-related services and expenses through milestone payments. Overland, as local study sponsor, will provide clinical and operational support in connection with the IIT, including supporting site and investigator selection, administrative submissions, project management, insurance and clinical monitoring and, subject to our prior approval, will enter into separate agreements with the applicable investigators, hospitals and research institutions in China. To facilitate the services in connection with the IIT, we are required to share certain confidential information about CITY-TFR2 with Overland, investigator(s), and/or institution(s) based in China. Although we require confidentiality obligations in our agreements with Overland, investigator(s), and/or institution(s) and take reasonable measures to protect our confidential information, we may have difficulty enforcing our rights in the event of any breach of confidentiality, or infringement or misappropriation of our confidential information. If we are unable to adequately protect our confidential information from unauthorized disclosure, infringement, or misappropriation, our development and intellectual property protection of CITY-TFR2 could be adversely affected. The IIT will be conducted by investigators at participating medical institutions, with clinical and operational support and coordination provided by Overland. While this IIT is not one of our traditional company-sponsored clinical trials, subject to applicable law and the applicable agreements with the investigators and medical institutions, data and results generated from the IIT will be provided to us. Although data from the IIT may support our development program for CITY-TFR2, including by providing initial clinical proof-of-concept data and informing our planned Phase 1/2 clinical trial, there can be no assurance that the FDA or other Regulatory Authorities will accept such data to support future regulatory submissions or marketing approval. We expect to report data from the IIT in mid-2027.

Given the nature of IITs, notwithstanding the support we and Overland will provide in connection with the IIT, we may have less control over trial conduct, protocol implementation, regulatory interactions, data collection, and analysis, reporting practices and compliance activities than we would in a traditional company-sponsored clinical trial. We may also have less firsthand knowledge regarding the conduct of the IIT and the generation, collection and analysis of data from the IIT. If data generated from the IIT are incomplete, inaccurate, unreliable or otherwise inadequate, or if we are unable to obtain such data on a timely basis, our ability to use the results of the IIT to inform the design and conduct of our planned Phase 1/2 clinical trial or otherwise advance the development of CITY-TFR2 could be adversely affected.

Clinical research conducted in China is subject to local laws, regulations, ethics committee approvals and governmental oversight, which may differ from those in the United States, Europe or other jurisdictions. The laws and regulations in China on therapies that are eligible for IITs in China are subject to differing interpretations by investigators, institutions, ethics committees, and regulators, and we may face delays in receiving, and may not receive, regulatory approval necessary to conduct the IITs in China, which may further delay and adversely affect our development of CITY-TFR2. Regulatory requirements, interpretations and enforcement practices may change, and we may experience delays in obtaining approvals, enrolling patients, collecting or transferring data, or completing the study. In addition, geopolitical tensions, trade restrictions, obligations related to data privacy and security, cross-border data transfer regulations or other governmental actions could adversely affect our

ability to oversee the trial, access trial data or use resulting data to support future regulatory submissions. Additionally, recent policy proposals in the United States may make acceptance by the FDA or inclusion in a marketing application of foreign data more difficult or costly.

If the IIT is delayed, suspended, terminated, conducted inconsistently with applicable requirements, generates incomplete, inaccurate, unreliable or otherwise inadequate data, produces data that Regulatory Authorities do not accept, raises safety concerns or results in AEs, or if the IIT does not generate clinical proof-of-concept data sufficient to support the continued development of CITY-TFR2 or inform our planned Phase 1/2 clinical trial, our development programs, regulatory strategy, business, financial condition, results of operations and prospects could be materially adversely affected.

Regulatory Authorities may not accept data from clinical trials conducted outside the United States, which could require us to conduct additional clinical trials and delay the development or approval of our product candidates.

As part of our global development strategy, some clinical trials are being conducted outside the United States, including our planned IIT for CITY-TFR2 in patients with anemia associated with myelofibrosis in China. We may conduct additional clinical trials for our current or future product candidates outside the United States. Although data from such trials may support our development programs, there can be no assurance that Regulatory Authorities will accept data generated outside their jurisdictions to support regulatory approval.

The acceptance of data from clinical trials conducted outside the United States or another jurisdiction by Regulatory Authorities may be subject to certain conditions or may not be accepted at all. In cases where data from foreign clinical trials are intended to serve as the basis for marketing approval in the United States, regardless of whether such trials were conducted under an IND, the FDA will generally not approve the application on the basis of foreign data alone unless the data are applicable to the United States population and United States medical practice, the trials were performed by clinical investigators of recognized competence and pursuant to GCP regulations, and the FDA can validate the data through on-site inspections or other appropriate means. The FDA has signaled that foreign GCP inspections will be increasing, alongside greater transparency of GCP inspection outcomes.

Many foreign Regulatory Authorities have similar approval requirements, including in relation to the use of data from clinical trials conducted in foreign jurisdictions. In addition, such foreign trials are subject to the applicable local laws of the foreign jurisdictions where the trials are conducted.

There can be no assurance that Regulatory Authorities will accept data from trials conducted outside the United States or the applicable jurisdiction. If Regulatory Authorities do not accept such data, including data from our planned IIT in China, we may be required to conduct additional clinical trials, which could be costly and time-consuming and could delay or prevent the development, regulatory approval or commercialization of our product candidates in the applicable jurisdiction. Additionally, recent policy proposals in the United States may make acceptance by the FDA or inclusion in a marketing application of foreign data more difficult or costly.

Where appropriate, we may seek approval from Regulatory Authorities through the use of expedited approval pathways, such as accelerated approval or comparable foreign abbreviated pathways. If we are unable to obtain such approvals, we may be required to conduct additional preclinical studies or clinical trials beyond those that we contemplate, which could increase the expense of obtaining, and delay the receipt of, necessary marketing approvals. Even if we receive accelerated approval from the FDA or approval following comparable foreign abbreviated pathways by foreign Regulatory Authorities, if our confirmatory trials do not verify clinical benefit, or if we do not comply with rigorous post-marketing requirements, the FDA or such Regulatory Authorities may seek to withdraw the accelerated approval.

Where appropriate, we may seek approval from Regulatory Authorities through the use of expedited approval pathways, such as accelerated approval or comparable foreign abbreviated pathways. There can be no assurance that we will decide to pursue, or that Regulatory Authorities will grant, such expedited approvals. Regulatory Authorities may require us to conduct additional preclinical studies or clinical

trials beyond those that we contemplate, which could increase the expense of obtaining, and delay the receipt of, necessary marketing approvals. Even if we receive accelerated approval from the FDA or approval following comparable foreign abbreviated pathways by foreign Regulatory Authorities, our approval may be subject to post-marketing requirements, including confirmatory trials, and may be withdrawn if such requirements are not satisfied or clinical benefit is not verified.

If granted, accelerated approval is usually contingent on the sponsor's agreement to conduct, in a diligent manner, additional post-approval confirmatory studies to verify and describe the drug's clinical benefit. Under the Food and Drug Omnibus Reform Act of 2022 ("FDORA"), the FDA is permitted to require, as appropriate, that a post-approval confirmatory study or studies be underway prior to approval or within a specified time period after the date of approval for a product granted accelerated approval. FDORA also gives the FDA increased authority to withdraw approval of a drug or biologic granted accelerated approval on an expedited basis if the sponsor fails to conduct such studies in a timely manner, send status updates on such studies to the FDA every 180 days to be publicly posted by the agency, or if such post-approval studies fail to verify the drug's predicted clinical benefit. The FDA is empowered to act, such as issuing fines, against companies that fail to conduct with due diligence any post-approval confirmatory study or submit timely reports to the agency on their progress.

Prior to seeking accelerated approval, or approval following comparable foreign abbreviated pathways, we would seek feedback from Regulatory Authorities and would otherwise evaluate our ability to seek and receive such accelerated approval or approval following comparable foreign abbreviated pathways. There can be no assurance that after our evaluation of the feedback and other factors we will decide to pursue or submit an NDA for accelerated approval or any other form of expedited development, review or approval. Similarly, there can be no assurance that after subsequent feedback from Regulatory Authorities, we will continue to pursue or apply for accelerated approval or any other form of expedited development, review or approval, even if we initially decide to do so. Furthermore, if we decide to apply for accelerated approval, or comparable foreign abbreviated pathways, there can be no assurance that such application will be accepted or that any approval will be granted on a timely basis, or at all. Regulatory Authorities could also require us to conduct further studies prior to considering our application or granting approval of any type, including, for example, if other products are approved via the accelerated pathway, or comparable foreign abbreviated pathway, and subsequently converted by Regulatory Authorities to full approval. A failure to obtain accelerated approval or any other form of expedited development, review or approval for our product candidate would result in a longer period to commercialization of such product candidate, could increase the cost of development of such product candidate and could harm our competitive position in the marketplace.

Even if we obtain regulatory approval for a product candidate, 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.

Even if our product candidates are approved, they will be subject to ongoing regulatory requirements for manufacturing, labeling, packaging, storage, advertising, promotion, sampling, record-keeping, conduct of post-marketing studies and submission of safety, efficacy and other post-market information, including both federal and state requirements in the United States and requirements of comparable foreign regulatory authorities. In addition, we will be subject to continued compliance with cGMP and GCP requirements for any clinical trials that we conduct post-approval. For example, the holder of an approved NDA is obligated to monitor and report AEs and any failure of a product to meet the specifications in the NDA. The holder of an approved NDA must also submit new or supplemental applications and obtain FDA approval for certain changes to the approved product, product labeling or manufacturing process. Advertising and promotional materials must comply with FDA rules and are subject to FDA review, in addition to other potentially applicable federal and state laws. If we fail to comply with applicable regulatory requirements following approval of any of our product candidates, a Regulatory Authority may: issue a FDA Form 483, or warning letter asserting that we are in violation of the law and potentially restricting our ability to sell, manufacture, import or export our products; seek an injunction or impose civil or criminal penalties or monetary fines; suspend or withdraw regulatory approval or revoke a license; suspend any ongoing clinical trials; refuse to approve a pending NDA or

supplements to an NDA submitted by us; seize product; or refuse to allow us to enter into supply contracts, including government contracts. Any government investigation of alleged violations of law could require us to expend significant time and resources in response and could generate negative publicity. The occurrence of any event or penalty described above may inhibit our ability to commercialize any approved products and generate revenues.

If we are successful in gaining approval for any of our product candidates, we and our CDMOs, which manufacture our products under contract, will continue to face significant regulatory oversight of the manufacturing and distribution of our products. Product manufacturers and their facilities are subject to payment of user fees and continual review and periodic inspections by Regulatory Authorities for compliance with cGMP and adherence to commitments made in the NDA. If we or a Regulatory Authority discovers previously unknown problems with a product such as AEs of unanticipated severity or frequency, or problems with the facility where the product is manufactured, a Regulatory Authority may impose restrictions relative to that product or the manufacturing facility, including requiring recall or withdrawal of the product from the market or suspension of manufacturing.

Any regulatory approvals that we receive for our product candidates may be subject to limitations on the approved indicated uses for which the product may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing testing, including Phase 4 clinical trials and surveillance to monitor the safety and efficacy of the product candidate. Certain endpoint data we hope to include in any approved product labeling also may not make it into such labeling, including exploratory or secondary endpoint data such as patient-reported outcome measures. The FDA may also require a Risk Evaluation and Mitigation Strategy ("REMS") as a condition of approval of our product candidates, which could entail requirements for long-term patient follow-up, 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. Comparable requirements may apply in foreign countries. In addition, if Regulatory Authorities approves any of our product candidates, we will have to comply with requirements including submissions of safety and other post-marketing information, reports and registration.

Regulatory Authorities may impose consent decrees or withdraw or vary approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with our product candidates, including AEs of unanticipated severity or frequency, or with our CDMOs or manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information, imposition of post-market studies or clinical trials to assess new safety risks or imposition of distribution restrictions or other restrictions under a REMS program or a comparable foreign program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of our products, withdrawal of the product from the market or voluntary product recalls;
- fines, FDA Form 483s, warning letters or holds on clinical trials;
- refusal by Regulatory Authorities to approve pending applications or supplements to approved applications filed by us or suspension, variation or withdrawal of approvals;
- product seizure, detention or refusal to permit the import or export of our product candidates;
- total or partial suspension of production, distribution, manufacturing or clinical trials;
- operating restrictions;
- suspension of licenses; and
- injunctions, fines or the imposition of civil or criminal penalties.

Additionally, Regulatory Authorities strictly regulate marketing, labeling, advertising and promotion of products that are placed on the market. Products may be promoted only for the approved indications and in accordance with the provisions of the approved label.

The policies of Regulatory Authorities may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates. In addition, the United States Supreme Court's July 2024 decision to overturn established case law giving deference to Regulatory Authorities' interpretations of ambiguous statutory language has introduced uncertainty regarding the extent to which the FDA's regulations, policies and decisions may become subject to increasing legal challenges, delays and/or changes. 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. For more information, see the section titled "*Business — Government Regulation*."

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.

We are subject to significant regulatory oversight with respect to manufacturing our product candidates. The manufacturing facilities of our CDMOs or suppliers may not meet regulatory requirements. Failure to meet cGMP requirements set forth in regulations promulgated by Regulatory Authorities could result in significant delays in and costs of our products.

The manufacturing of therapeutics for clinical trials or commercial sale is subject to extensive regulation. Components of a finished product approved for commercial use or used in clinical trials must be manufactured in accordance with cGMP requirements. These regulations govern manufacturing processes and procedures, including recordkeeping, and the implementation and operation of quality systems to control and assure the quality of products and materials used in clinical trials. Poor control of the cGMP production processes can lead to product quality failures that can impact our ability to supply product, resulting in cost overruns and delays to clinical timelines, which could be extensive.

Such production process issues include, but are not limited to: critical deviations in the manufacturing process; facility and equipment failures; contamination of the product due to an ineffective quality control strategy; facility contamination as assessed by the facility and utility environmental monitoring program; ineffective process, equipment or analytical change management, resulting in failed lot release criteria; raw material failures due to ineffective supplier qualification or regulatory compliance issues at critical suppliers; ineffective product stability; failed lot release or facility and utility QC testing; ineffective corrective actions or preventative actions taken to correct or avoid critical deviations due to our developing understanding of the manufacturing process as we scale; and failed or defective components or consumables.

We must supply all necessary documentation in support of an NDA or other marketing authorization application on a timely basis and must adhere to the cGMP requirements of Regulatory Authorities which are enforced, in the case of the FDA, in part through its facilities inspection program.

Regulatory authorities typically require representative manufacturing site inspections to assess adequate compliance with cGMPs and manufacturing controls as described in the filing. If either we or one of our third-party manufacturing sites fails to provide sufficient quality assurance or control, the product approval to commercialize may not be granted. Inspections by regulatory authorities may occur at any time during the development or commercialization phase of products. The inspections may be product specific or facility specific for broader cGMP inspections or as a follow up to market or development issues that the Regulatory Authority may identify. Deficient inspection outcomes may influence the ability of our CDMOs or suppliers to fulfill their supply obligations, impacting or delaying supply or delaying product candidates.

The manufacturing process for any products that we may develop is subject to the approval process of Regulatory Authorities, and we will need to contract with CDMOs which we believe can meet such requirements on an ongoing basis. If we or our CDMOs are unable to reliably produce product candidates to specifications acceptable to Regulatory Authorities, we or our collaboration partners may not obtain or maintain the approvals we or they need to commercialize such products. Even if we or our collaboration partners obtain regulatory approval for any of our product candidates, there is no assurance that either we or our CDMOs will be able to manufacture the approved product to

specifications acceptable to Regulatory Authorities, to produce it in sufficient quantities to meet the requirements for the potential launch of the product, or to meet potential future demand. Any of these challenges could delay completion of clinical trials, require bridging clinical trials or the repetition of one or more clinical trials, increase clinical trial costs, delay approval of our product candidates, impair commercialization efforts or increase our cost of goods. The occurrence of any of the foregoing could have an adverse effect on our business, financial condition, results of operations and prospects.

We have limited control over the manufacturing process of, and are dependent on, our CDMOs for compliance with cGMPs. If our CDMOs cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of Regulatory Authorities, we may not be able to secure and/or maintain regulatory approval for our product candidates manufactured at these facilities. In addition, we have limited control over the ability of our CDMOs to maintain adequate quality control, quality assurance and qualified personnel. Furthermore, all of our CDMOs are engaged with other companies to supply or manufacture materials or products for such companies, which exposes our CDMOs to regulatory risks for the production of such materials and products. As a result, failure to meet the regulatory requirements for the production of those materials and products may generally affect the regulatory status of our CDMOs' facility. Our failure, or the failure of our CDMOs, 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 product candidates or products, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of our products and product candidates (including those of our collaboration partners) and our overall business operations. Our dependence upon others for the manufacture of our product candidates and raw materials may adversely affect our future profit margins and our ability to commercialize any products that receive regulatory approval on a timely and competitive basis.

We also may encounter problems hiring and retaining the experienced scientific, quality-control and manufacturing personnel needed to operate our manufacturing processes and operations, which could result in delays in production or difficulties in maintaining compliance with applicable regulatory requirements. While we will train and qualify all personnel around the appropriate handling of our products and materials, we may not be able to control or ultimately detect intentional sabotage or negligence by any employee or contractor.

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

Federal agencies in the United States, including the FDA, the SEC and other comparable regulatory authorities, operate pursuant to annual appropriations and other political and budgetary processes, and may from time to time be subject to continuing resolutions, funding lapses, or other fiscal constraints. Currently, although the FDA and many other federal agencies have funding sufficient to continue their activities through December 11, 2026, the timing and amount of future funding is unpredictable. Without appropriation of sufficient funding to federal agencies, our business operations related to our product development activities for the United States market could be impacted. The ability of Regulatory Authorities to review and approve new products can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, statutory, regulatory, and policy changes, and other events that may otherwise affect Regulatory Authorities' ability to perform routine functions. Average review times at Regulatory Authorities have fluctuated in recent years and may continue to fluctuate as a result of these factors. In addition, government funding of the SEC and other United States government agencies on which our operations may rely, including those that fund research and development activities, is subject to the political process, including executive and congressional priorities, which is inherently fluid and unpredictable. For example, the current administration has issued executive orders seeking to greatly reduce the size

of the federal workforce, including through layoffs and severance packages offered to employees of federal agencies within the executive branch and independent agencies, including the FDA. Any such reduction in personnel may result in longer review times by the FDA and other agencies.

Disruptions at the FDA, the SEC and other agencies, including as a result of substantial leadership changes, personnel cuts, policy changes or otherwise, may also slow the time necessary for new drugs to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. Changes and cuts in FDA staffing have been reported as resulting in delays in the FDA's responsiveness or in its ability to review IND submissions or marketing applications, issue regulations or guidance, or implement or enforce regulatory requirements in a timely fashion or at all. Also, state governments may seek to address or react to changes at the federal level with changes to their regulatory frameworks in a manner that could impact our operations.

Over the last several years, including from October 1, 2025 to November 12, 2025, the United States government shut down several times and certain regulatory agencies, such as the FDA and the SEC, have had to furlough critical employees and cease critical activities.

If a prolonged government shutdown occurs again, or a widespread freeze on federal funding occurs in the future or if global health concerns or staffing changes prevent the FDA, the SEC, or other comparable foreign regulatory authorities from conducting their regular inspections, reviews, or other regulatory activities, including formal and informal interactions with product developers, it could significantly impact the ability of the FDA, the SEC, or other such comparable foreign regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business. Further, in our operations as a public company, future government shutdowns and/or substantial leadership, personnel, and policy changes at the SEC could impact our business by delaying review of our public filings, which in turn could delay or frustrate our ability to access the public markets and obtain necessary capital in order to properly capitalize and continue our operations or delay the review or effectiveness of required regulatory or securities filings.

Healthcare legislative reform discourse and potential or enacted measures may have a material adverse impact on our business and results of operations and legislative or political discussions surrounding the desire for and implementation of pricing reforms may adversely impact our business.

In the United States and some foreign jurisdictions, there have been a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell any product candidates for which we obtain marketing approval. The pharmaceutical industry has been a particular focus of these efforts and has been significantly affected by legislative initiatives. Current laws, as well as other healthcare reform measures that may be adopted in the future, may result in more rigorous coverage criteria and in additional downward pressure on the price that we receive for any FDA-approved product. If reimbursement of our products is unavailable or limited in scope, our business could be materially harmed. For more information, please see the sections titled "*Business — Government Regulation — Coverage and Reimbursement*" and "*— Healthcare Reform and Other Regulatory Changes*" included elsewhere in this prospectus.

Third-party payors, whether domestic or foreign, or governmental or commercial, are developing increasingly sophisticated methods of controlling healthcare costs. In the United States and certain other jurisdictions, there have been, and are expected to continue to be, a number of legislative and regulatory changes to the healthcare system that could impact our ability to sell our products profitably. In addition, significant uncertainty exists in the United States and certain other jurisdictions regarding the provision and financing of healthcare because the elected administrations in such countries have publicly declared their intention to review and potentially significantly modify the current legal and regulatory framework for the healthcare system including through drug pricing and reimbursement reforms.

We cannot predict the initiatives that may be adopted in the future. The continuing efforts of the government, insurance companies, managed care organizations and other payers of healthcare services to contain or reduce costs of healthcare may adversely affect:

- the demand for any of our product candidates, if approved;
- the ability to set a price that we believe is fair for any of our product candidates, if approved;
- our ability to generate revenues and achieve or maintain profitability;
- the level of taxes that we are required to pay; and
- the availability of capital.

For example, recent CMS proposals from November 2025 and December 2025, including the Global Benchmark for Efficient Drug Pricing Model ("GLOBE") for Medicare Part B, the Guarding United States Medicare Against Rising Drug Costs ("GUARD") model for Medicare Part D, and the GENErating cost Reductions fOr United States Medicaid ("GENEROUS") Model, if implemented as currently proposed, could materially impact our revenue. 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 and could materially reduce net realized prices.

Further, the Inflation Reduction Act of 2022 (the "IRA") was recently revised to broaden the exemption from the drug price negotiation program for drugs with orphan designations. Previously under the IRA, orphan drugs were exempted from the Medicare drug price negotiation program; but this exemption was restricted to drugs with only one orphan designation and for which the only approved indication is for that rare disease or condition. If a product were to receive multiple orphan designations or had multiple approved indications, it would not have qualified for the orphan drug exemption. Under the One Big Beautiful Bill Act of 2025 (the "OBBBA"), this restriction was eliminated; and effective for the 2028 initial price applicability year, all orphan drugs, regardless of the number of orphan designations or indications, are exempt from the Medicare drug price negotiation program, provided that all approved indications are for rare diseases.

In December 2021, Regulation No 2021/2282 on Health Technology Assessment ("HTA") amending Directive 2011/24/EU (the "Regulation"), was adopted in the EU. This Regulation, which entered into force in January 2022 and became applicable in January 2025, is intended to boost cooperation among Member States in assessing health technologies, including new medicinal products, and provides the basis for cooperation at the EU level for joint clinical assessments in these areas. The Regulation permits Member States to use common HTA tools, methodologies and procedures across the EU, working together in four main areas, including joint clinical assessment of the innovative health technologies with the most potential impact for patients, joint scientific consultations whereby developers can seek advice from HTA authorities, identification of emerging health technologies to identify promising technologies early, and continuing voluntary cooperation in other areas. Individual Member States will continue to be responsible for assessing nonclinical (*e.g.*, economic, social, ethical) aspects of health technologies and making decisions on pricing and reimbursement.

Any of the foregoing measures (and related implementing guidance, rulemaking, enforcement activity or private litigation) could materially reduce pricing flexibility, increase rebates or discounts, narrow coverage, delay patient access, and adversely affect our ability to commercialize any current or future product candidates, if approved.

Risks Related to Our Reliance on Third Parties

We rely on a limited number of third parties for the supply and manufacture of our product candidates for our research, preclinical and clinical activities, and may do the same for commercial supplies of our products, if approved. As our pipeline increases and matures, the increased demand for supplies from our manufacturers may increase the risk that we will not have sufficient supply when needed or at an acceptable cost.

We currently utilize, and expect to continue to utilize, a limited number of CDMOs to, among other things, supply and manufacture raw materials, intermediates, drug substance and drug product, perform analytical and quality testing and supply materials for our preclinical and clinical supply for all of our product candidates. For example, we are party to manufacturing and supply agreements with certain

CDMOs to support the manufacture and supply of our product candidates. Given the specialized expertise, manufacturing capabilities and capacity required to manufacture RNAi therapeutics, we expect to continue to rely on third-party CDMOs for significant aspects of the manufacture and supply of our product candidates. Although we may qualify additional manufacturers over time, there can be no assurance that our existing or future CDMOs will be able to meet our manufacturing requirements on acceptable terms or at all.

In order to produce sufficient quantities to meet the demand for clinical trials and, if approved, subsequent commercialization of our product candidates, our CDMOs will be required to increase their production and optimize their manufacturing processes while maintaining the quality, consistency and regulatory compliance of our product candidates, as applicable. The transition to larger scale production could prove difficult. If our third-party manufacturers are not able to optimize their manufacturing processes to increase the product yield for our product candidates, or if they are unable to produce increased amounts of our product candidates while maintaining the same quality, then we may not be able to meet the demands of clinical trials or market demands, which could adversely impact our ability to timely conduct our clinical trials or commercialize our product candidates, if approved, and could have a material adverse impact on our business and results of operations. Furthermore, as the number of companies developing RNAi therapeutics and other oligonucleotide-based medicines continues to increase, competition for specialized manufacturing capacity, raw materials, equipment and other resources necessary to manufacture our product candidates may also increase. Any shortage of, or delay in obtaining, such manufacturing capacity or materials could increase our manufacturing costs, delay the manufacture or supply of our product candidates, and adversely affect our ability to advance our development programs or commercialize our product candidates, if approved.

Even if we are able to maintain arrangements with our CDMOs, reliance on CDMOs entails additional risks, including:

- the failure of the CDMO to comply with applicable regulatory requirements and reliance on third parties for manufacturing process development, regulatory compliance and quality assurance;
- manufacturing delays if our CDMOs give greater priority to the supply of other products over our product candidates or otherwise do not perform satisfactorily according to the terms of the agreement between us;
- limitations on supply availability resulting from capacity and scheduling constraints of third parties;
- the possible breach of manufacturing agreements by our CDMOs because of factors beyond our control;
- the possible termination or non-renewal of the manufacturing agreements by our CDMOs, at a time that is costly or inconvenient to us; and
- the possible misappropriation of our proprietary technology and intellectual property, including our know-how.

If we are unable to maintain our key manufacturing relationships, we may fail to find replacement CDMOs, which could delay or impair our ability to obtain regulatory approval for our product candidates. If we do find replacement CDMOs, we may not be able to enter into agreements with them on terms and conditions favorable to us and there could be a substantial delay before new facilities could be qualified and registered with Regulatory Authorities.

We do not currently have long-term supply contracts with all of our suppliers and they are not obligated to supply materials to us for any period, in any specified quantity or at any certain price beyond the delivery contemplated by the relevant purchase orders. As a result, our suppliers could stop selling to us at commercially reasonable prices, or at all. While we intend to enter into long-term master supply agreements with certain of our suppliers and manufacturers in the future as we advance our clinical trials or commercialization plans, we may not be successful in negotiating such agreements on favorable terms or at all. Our failure to secure these arrangements as needed could have a material

adverse effect on our ability to complete the development of our product candidates or, to commercialize them, if approved. If we do enter into such long-term master supply agreements, or enter into such agreements on less favorable terms than we currently have with such manufacturers, we could be subject to binding long-term purchase obligations that may be harmful to our business, including in the event that we do not conduct our trials on planned timelines or utilize the materials that we are required to purchase.

Additionally, if CDMO 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 CDMO. 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 product candidates may be unique or proprietary to the original CDMO 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 CDMOs for any reason, we will be required to verify that the new CDMO 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 candidates according to the specifications previously submitted to Regulatory Authorities. We may be unsuccessful in demonstrating the comparability of clinical supplies, which could require the conduct of additional clinical trials. The delays associated with the verification of a new CDMO could negatively affect our ability to develop or commercialize our product candidates in a timely manner or within budget. Furthermore, a CDMO may possess technology related to the manufacture of our product candidates that such third party owns independently. This would increase our reliance on such CDMO or require us to obtain a license from such CDMO in order to have another third party manufacture our product candidates.

If any of our product candidates are approved by any Regulatory Authority, we will likely utilize arrangements with CDMOs for the commercial production of such product. This process is difficult and time-consuming and we may face competition for access to manufacturing facilities as there are a limited number of CDMOs operating under cGMPs that are capable of manufacturing our product candidates. Consequently, we may not be able to reach agreement with CDMOs on satisfactory terms, which could delay our commercialization.

The operations of our suppliers and CDMOs, some of which are located outside of the United States, are subject to additional risks that are beyond our control and that could harm our business, financial condition, results of operations and prospects. As a result of our global suppliers, we are subject to risks associated with doing business abroad, including:

- political unrest, terrorism, labor disputes and economic instability resulting in the disruption of trade from foreign countries in which our products are manufactured;
- the imposition of new laws and regulations, including those relating to labor conditions, quality, and safety standards, imports, duties, taxes and other charges on imports, as well as trade restrictions and restrictions on currency exchange or the transfer of funds, particularly new or increased tariffs imposed on imports from countries where our suppliers operate;
- greater challenges and increased costs with enforcing and periodically auditing or reviewing our suppliers' and CDMOs' compliance with cGMPs or status acceptable to Regulatory Authorities;
- reduced protection for intellectual property rights, including trademark protection, in some countries;
- disruptions in operations due to global, regional or local public health crises or other emergencies or natural disasters;
- disruptions or delays in shipments; and
- changes in local economic conditions in countries where our CDMOs or suppliers are located.

In particular, there is currently significant uncertainty about the future relationship between the United States and various other countries, including countries in which our suppliers and CDMOs operate, with respect to trade policies, treaties, government regulations and tariffs. It is possible that further tariffs or other trade restrictions may be imposed that could affect imports of APIs or other materials used in our product candidates, or otherwise disrupt our supply chain or increase our manufacturing costs. Given the evolving global trade environment and uncertainty regarding how the United States or foreign governments will act with respect to tariffs, international trade agreements and policies, further governmental action related to tariffs, additional taxes, contracting matters, regulatory changes or other retaliatory trade measures could occur and have a material adverse effect on our business, financial condition, results of operations and prospects. These and other factors beyond our control could interrupt our suppliers' and CDMOs' production, influence their ability to manufacture or supply our clinical materials cost-effectively or at all, or inhibit their ability to procure necessary raw materials, any of which could adversely affect our business, financial condition, results of operations and prospects.

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

We depend on limited source suppliers for certain raw materials, APIs, drug products, drug substances and other materials used in our product candidates. For example, we rely on a limited number of CDMOs, including in China, to provide certain manufacturing and supply services for our product candidates. Although we may qualify additional suppliers over time, certain materials, manufacturing processes and services are currently available from only a limited number of qualified suppliers. Any disruption in the supply of these materials or services, any inability of our suppliers to meet our manufacturing requirements, or any change in our relationships with these suppliers or the contractual terms governing such relationships could adversely affect our business, financial condition, results of operations and prospects. Moreover, there may be difficulties in scaling the manufacture of our product candidates for later-stage clinical development or commercialization, and the costs of manufacturing could become prohibitive.

Furthermore, any of the limited source suppliers upon whom we rely could stop producing our supplies, cease operations or be acquired by, or enter into exclusive arrangements with, our competitors. In addition, geopolitical tensions may impact our suppliers, some of which are located outside of the United States, including in China. There is currently significant uncertainty about the future relationship between the United States and various other countries, including China, with respect to trade policies, treaties, government regulations and tariffs. Increased tariffs or pending legislation that would impose federal contracting or federal funding limitations on parties directly using or connected to those using the services or equipment of certain foreign entities with known or alleged associations with foreign adversaries could potentially disrupt our existing supply chains and impose additional costs on our business. For example, the BIOSECURE Act, enacted on December 18, 2025 as part of the National Defense Authorization Act for Fiscal Year 2026, restricts United States federal agencies from entering into contracts, grants, or loans with entities that use biotechnology equipment or services provided by designated "biotechnology companies of concern" ("BCCs"). BCCs are identified through designation by the Office of Management and Budget ("OMB") following a multi-agency review process, or through inclusion on the Department of Defense's annual list of Chinese military companies maintained pursuant to Section 1260H of the National Defense Authorization Act ("NDAA") for Fiscal Year 2021 (the "1260H List"), subject to an OMB determination that the listed entity is involved in the manufacture, distribution, provision, or procurement of biotechnology equipment or services. Certain CDMOs we engage are not currently designated as BCCs under either pathway; however, there is no assurance that any such CDMO will not be added to the 1260H List or otherwise designated as a BCC in future OMB determinations. The Act's prohibitions are not yet in effect, and OMB must first publish a formal BCC list (due no later than December 2026), after which OMB has 180 days to issue guidance regarding the Act, and then the Federal Acquisition Regulatory Council has one year to revise the Federal Acquisition Regulations, with prohibitions taking effect 60 or 90 days thereafter (depending on how the entity is

designated as a BCC). Under the statute, restrictions for newly designated BCCs may not take effect until 2027 or later. The Act also provides a five-year grandfathering period for biotechnology equipment or services provided under contracts with a BCC entered into prior to the applicable effective date. To the extent we receive or in the future receive federal funding — including grants, loans, or contracts subject to the Federal Acquisition Regulations — in connection with which any CDMO we engage is or becomes designated a BCC, we could be required to transition to alternative manufacturers or risk ineligibility for such funding. Even absent a direct federal nexus, the designation of any CDMO we engage as a BCC, or the prospect of such designation, could disrupt our supply chain, impair such CDMO's ability to operate or attract United States customers, or require us to identify and qualify an alternative sole-source manufacturer, any of which could cause significant delays in our clinical development program and have a material adverse effect on our business, financial condition, and results of operations. If any third party that we engage to supply any materials or manufacture products for our preclinical studies and clinical trials should cease to continue to do so, or if we are prevented from using their services for any reason, we could experience delays in advancing these studies and trials while we identify and qualify replacement suppliers.

Establishing additional or replacement suppliers, and obtaining regulatory clearance or approvals that may result from adding or replacing suppliers, could take a substantial amount of time, result in increased costs and impair our ability to produce our products, which would adversely impact our business, financial condition, results of operations and prospects. Any such interruption or delay may force us to seek similar supplies from alternative sources, which may not be available at reasonable prices, or at all. Any interruption in the supply of sole source or limited source components for our product candidates would adversely affect our ability to meet scheduled timelines and budget for the development and commercialization of our product candidates, could result in higher expenses and would harm our business. Although we have not experienced any significant disruption as a result of our reliance on limited or sole source suppliers, we have a limited operating history and cannot assure you that we will not experience disruptions in our supply chain in the future as a result of such reliance or otherwise.

We rely on and expect to continue to rely on third parties to conduct aspects of our research, preclinical studies, clinical protocol development and clinical trials for our programs and product candidates. If these third parties do not perform satisfactorily, comply with regulatory requirements or meet expected deadlines, we may not be able to develop product candidates in a timely or cost-effective manner, or obtain regulatory approval for or commercialize our product candidates and our business could be substantially harmed.

We currently rely and expect to continue to rely on third parties, such as CROs, medical institutions and clinical investigators, to conduct our clinical trials, including our planned IIT for CITY-TFR2 in anemia in China. We currently rely and expect to continue to rely on third parties to conduct certain research and preclinical testing activities. In some cases, these third parties may terminate their engagements with us. If we need to enter into alternative arrangements, it could delay our product development activities or increase our costs.

Our reliance on these third parties for research and development activities will reduce our control over these activities but will not relieve us of our regulatory or contractual responsibilities. We will be responsible for ensuring that each of our preclinical studies and clinical trials is conducted in accordance with the applicable protocol, legal and regulatory requirements and scientific standards. For example, we will remain responsible for ensuring that each of our clinical trials is conducted in accordance with the general investigational plan and protocols for the trial. Moreover, the FDA requires us to comply with regulations, commonly referred to as GCPs for conducting, recording and reporting the results of clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of trial participants are protected. We also are required to register ongoing clinical trials and post the results of completed clinical trials on a government-sponsored database, ClinicalTrials.gov, within certain timeframes for publication. Failure to do so can result in fines, adverse publicity and civil and criminal sanctions. For any violations of laws and regulations during the conduct of our preclinical studies and clinical trials, we could be subject to warning letters or enforcement action that may include civil penalties up to and including criminal prosecution.

We and our CROs will be required to comply with regulations, including GCPs, for conducting, monitoring, recording and reporting the results of preclinical studies and clinical trials to ensure that the data and results are scientifically credible and accurate and that the trial participants are adequately informed, among other things, of the potential risks of participating in clinical trials. We are also responsible for ensuring that the rights of our clinical trial participants are protected. These regulations are enforced by Regulatory Authorities for any product candidates in clinical development. The FDA enforces GCP regulations through periodic inspections of clinical trial sponsors, principal investigators and trial sites. If we or our CROs fail to comply with applicable GCPs, the clinical data generated in our clinical trials may be deemed unreliable and Regulatory Authorities may require us to perform additional clinical trials before approving our marketing applications. There is no assurance that the FDA or other Regulatory Authorities, upon inspection, will determine that any of our future clinical trials will comply with GCPs. In addition, our clinical trials must be conducted with product candidates produced in accordance with the requirements in cGMP regulations. Our failure or the failure of our CROs to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process and could also subject us to enforcement action.

Although we intend to design the clinical trials for certain of our product candidates, our collaboration partners may design the clinical trials that they are managing (in some cases, with our input) and in the case of clinical trials controlled by us, we expect that CROs will perform many of the activities required to conduct clinical trials. As a result, many important aspects of our development programs, including their conduct and timing, will, in many respects, be outside of our direct control. Our reliance on third parties to conduct or manage our current or future preclinical studies and clinical trials will also result in less direct control over the management of data developed through preclinical studies and clinical trials than would be the case if we were relying entirely upon our own staff. Communicating with outside parties can also potentially lead to mistakes as well as difficulties in coordinating activities. Outside parties may: have staffing difficulties; fail to comply with contractual obligations; experience regulatory compliance issues; undergo changes in priorities or become financially distressed; form relationships with other entities, some of which may be our competitors; have human errors or be subject to cyber-attacks.

These factors may materially adversely affect the willingness or ability of third parties to conduct our preclinical studies and clinical trials and may subject us to unexpected cost increases that are beyond our control. If the CROs do not perform preclinical studies and clinical trials in a satisfactory manner, breach their obligations to us or fail to comply with regulatory requirements, the development, regulatory approval and commercialization of our product candidates may be delayed, we may not be able to obtain regulatory approval and commercialize our product candidates, or our development programs may be materially and irreversibly harmed. If we are unable to rely on preclinical and clinical data collected by our CROs, we could be required to repeat, extend the duration of or increase the size of any clinical trials we conduct and this could significantly delay commercialization and require significantly greater expenditures.

We also expect to rely on other third parties to transport, store and distribute the required materials for our clinical trials. Any performance failure on the part of these third parties could result in damaged products and could delay clinical development or marketing approval of any product candidates we may develop or commercialization of our products, if approved, producing additional losses and depriving us of potential product revenue, causing us to default on our contractual commitments, result in losses that are not covered by insurance, and damage our reputation and overall perception of our products in the marketplace.

Any of the third party organizations we utilize may terminate their engagements with us under certain circumstances. The replacement of an existing CRO or other third party may result in the delay of the affected trials or otherwise adversely affect our efforts to obtain regulatory approvals and commercialize our product candidates. For example, although we believe there are a number of other CROs we could engage, we may not be able to enter into alternative arrangements or do so on commercially reasonable terms. In addition, while we believe there may be suitable replacements for one or more of these service providers, there is a natural transition period when a new service provider

begins work. As a result, delays may occur, which could negatively impact our ability to meet our expected clinical development timelines and harm our business, financial condition, results of operations and prospects.

We have in the past entered into, and in the future may enter into, partnership, collaboration and licensing arrangements with third parties to support development of programs and product candidates. If these partnership, collaboration and licensing arrangements are not successful, our business could be adversely affected.

We have entered into or sought to enter into partnership, collaboration and licensing arrangements with third parties, which we refer to generally as our "collaboration partners" for strategic purposes, including for purposes of collaborating with collaboration partners with distinctive capabilities or experience with different modalities, working with collaboration partners capable of advancing the development and commercialization of our product candidates, and providing access to additional capital.

For example, in addition to our wholly owned pipeline, we have entered into research collaboration and license agreements with two industry collaboration partners. In July 2024, we entered into the B+L Agreement with Bausch + Lomb focused on the discovery and development of RNAi therapeutics for ocular diseases, and in May 2025, we entered into the Biogen Agreement with Biogen focused on the discovery and development of an RNAi program for neurodegenerative diseases. In addition, in October 2023, we entered into the OSIF License Agreement with OSIF, pursuant to which OSIF granted us an exclusive, royalty-bearing license to certain patent rights relating to the originating technology underlying cityRNAs and certain other aspects of our technology platform. We expect to enter into additional partnership, collaboration and licensing arrangements in the future. Our existing arrangements, as well as any future arrangements we may enter into, could pose a number of risks, including the following:

- collaboration partners may not perform their obligations as expected;
- collaboration partners may not commit sufficient resources, including personnel, capital, and management attention, to the development and potential commercialization of the applicable product candidates;
- collaboration partners may change their strategic focus, undergo a change of control, or otherwise deprioritize our collaboration programs in favor of other programs or therapeutic areas;
- the clinical trials conducted as part of such partnership, collaboration and licensing arrangement may not be successful;
- collaboration partners may not pursue development and commercialization of any product candidates that achieve regulatory approval or may elect not to continue or renew development or commercialization of programs based on clinical trial results, changes in the strategic collaborators' focus or available funding, or external factors, such as an acquisition, which divert resources or create competing priorities;
- collaboration partners may delay clinical trials, provide insufficient funding for clinical trials, 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;
- collaboration partners could independently develop, or develop with third parties, products that compete directly or indirectly with our product candidates if the strategic collaborators believe that competitive products are more likely to be successfully developed or can be commercialized under terms that are more economically attractive than ours;
- product candidates developed in partnership, collaboration and licensing arrangements with us may be viewed by our collaboration partners as competitive with their own candidates or products, which may cause collaboration partners to cease to devote resources to the development of our programs or the development or commercialization of our product candidates;

- a collaboration partner with marketing and distribution rights to one or more of our product candidates that achieve regulatory approval may not commit sufficient resources to the marketing and distribution of any such product;
- disagreements with collaboration partners, including disagreements over proprietary rights, contract interpretation or the preferred course of development of any product candidates, may cause delays or termination of the research, development or commercialization of such product candidates, may lead to additional responsibilities for us with respect to such product candidates or may result in litigation or arbitration, any of which would be time-consuming and expensive;
- collaboration partners may not properly maintain or defend our intellectual property rights or may use our proprietary information in such a way as to invite litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential litigation;
- disputes may arise with respect to the interpretation of key terms regarding control, economic rights, or the ownership of intellectual property developed pursuant to our partnership, collaboration and licensing arrangements;
- collaboration partners may infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability;
- partnership, collaboration and licensing arrangements may, in certain instances, be terminated for the convenience of the collaboration partner and, if terminated, the development of our programs and product candidates may be delayed, or we may lose rights to intellectual property or expertise related to such programs and product candidates, and we could be required to raise additional capital to pursue further development or commercialization of the applicable product candidates;
- future relationships may require us to incur non-recurring and other charges, assume indebtedness or contingent liabilities, increase our near- and long-term expenditures, acquire intangible assets, issue securities that dilute our existing stockholders, disrupt our management and business, or otherwise impact our ability to generate revenue from acquired intellectual property, technology and/or products sufficient to meet our objectives or even to offset the associated transaction and maintenance costs;
- we could face significant competition in seeking appropriate collaboration partners and the negotiation process and diligence process is time-consuming and complex; and
- our international operations, through any future partnerships, collaborations, acquisitions or joint ventures, may expose us to certain operating, legal, and other risks not encountered in the United States.

Whether we reach a definitive agreement for a partnership, collaboration or licensing arrangement will depend, among other things, on our assessment of the collaboration partner's resources and expertise, the terms and conditions of the proposed partnership, collaboration or licensing arrangement, and the potential collaboration partner's evaluation of a number of factors. Those factors may include, among others: (i) our technologies and capabilities; (ii) our intellectual property position with respect to the subject program or product candidate; (iii) the design or results of clinical trials; (iv) the likelihood of approval by Regulatory Authorities; (v) the potential market for the subject product candidate; (vi) potential competing products; and (vii) industry and market conditions generally. In addition, the significant number of business combinations among large pharmaceutical and biotechnology companies has reduced the number of potential future collaboration partners with whom we can partner.

Partnerships, collaborations and licensing arrangements are complex and time-consuming to negotiate and document. We may have to relinquish valuable rights to our programs and product candidates, intellectual property or future revenue streams, or grant licenses on terms that are not favorable to us or in instances where it would have been more advantageous for us to retain sole development and commercialization rights. For some programs and product candidates, we depend on collaboration partners to design and conduct the clinical trials. As a result, we may not control the

manner or time schedule in which these clinical trials are conducted, which may negatively impact our business operations. In addition, if any of our collaboration partners withdraws support for one or more of our programs or product candidates or otherwise impairs their development, our business could be negatively affected. In addition, management of our relationships with collaboration partners requires (i) significant time and effort from our management team; (ii) coordination of our marketing and research and development programs with the marketing and research and development priorities of our collaborators and (iii) effective allocation of our resources across multiple projects.

Partnerships, collaborations and licensing arrangements may never result in the successful development of programs or development and commercialization of product candidates or the generation of sales revenue. The success of these arrangements will depend heavily on the efforts and activities of our collaboration partners. Collaboration partners generally have significant discretion in determining the efforts and resources that they will apply to the development of programs and the development and commercialization of product candidates, and they may not pursue or prioritize the development and commercialization of such programs and product candidates in a manner that is in our best interests. Product revenues arising from partnership, collaboration and licensing arrangements are likely to be lower than if we directly marketed and sold products. Disagreements with collaboration partners regarding clinical development or commercialization matters can lead to delays in the development process or commercialization of the applicable product candidate and, in some cases, the termination of the partnership, collaboration or licensing arrangement. These disagreements can be difficult to resolve if neither of the parties has final decision-making authority. Partnership, collaboration and licensing arrangements are often terminable by the collaboration partner, and any such termination or expiration would adversely affect us financially and could harm our business reputation. If we were to become involved in arbitration or litigation with any of our collaboration partners, it would consume time and divert management resources away from operations, damage our reputation, impact our ability to enter into future partnership, collaboration and licensing arrangements and may further result in substantial payments from us to our collaboration partners to settle those disputes.

We may not be able to establish additional partnership, collaboration and licensing arrangements on a timely basis, on acceptable terms, or at all, or to maintain and successfully conclude such arrangements. Such arrangements with third parties could cause us to expend significant resources and incur substantial business risk with no assurance of financial return. In addition, given the nature of our relationships with our collaboration partners, we often do not fully control the progression, clinical development, regulatory strategy or eventual commercialization, if approved, of our jointly developed product candidates. As a result, our future success and the potential to receive revenues under these partnership, collaboration and licensing arrangements are significantly dependent on our collaboration partners' efforts, over which we have little control. If we are unable to establish or maintain partnership, collaboration and licensing arrangements on terms favorable to us, if our partnership, collaboration and licensing arrangements do not result in the successful development and commercialization of product candidates, if a collaboration partner determines not to proceed with the future development of a program or product candidate, if a collaboration partner implements a clinical or regulatory strategy that ultimately does not enable the further development, approval or commercialization of the product candidate, or if a collaboration partner terminates its arrangement with us, we may not receive any future research funding or milestone, earnout, royalty or other contingent payments under such arrangement. In addition, our ability to monitor the achievement of clinical, regulatory and commercial milestones by our collaboration partners and enforce the payment of any corresponding fees is limited. If we do not receive the funding we expect under these agreements, the development of our product candidates could be delayed, we may need additional resources to develop such product candidates, and our research and development efforts and potential to generate revenue may be limited and our business, operating results, prospects and financial condition could be materially and adversely impacted.

We cannot assure investors that we will be able to maintain or expand our existing collaboration partners or that our City Platform will achieve adequate market acceptance among new collaboration partners. Any failure to increase penetration in our existing markets or new markets would adversely affect our ability to improve our operating results from our collaboration, partnership and licensing strategy.

All of the risks relating to product development, regulatory approval and commercialization described in this prospectus apply to the activities of our collaboration partners. If we and our

collaboration partners do not receive regulatory approval for a sufficient number of product candidates, we may not be able to sustain our business model.

We may seek to establish additional partnership, collaboration and licensing arrangements and, if we are not able to establish them on commercially reasonable terms, we may have to alter our development and commercialization plans. Certain of our partnership, collaboration and licensing arrangement may restrict our ability to develop certain products.

Our development programs and the potential commercialization of our product candidates will require substantial additional cash to fund expenses. For some of our product candidates, we may decide to collaborate with pharmaceutical and biotechnology companies for the development and potential commercialization of those product candidates. For example, we expect to seek a collaboration partner for our most advanced product candidate, CITY-FXI, prior to initiating Phase 3 development.

We face significant competition in seeking appropriate collaboration partners. Whether we reach a definitive agreement for any additional partnership, collaboration and licensing arrangements will depend, among other things, upon our assessment of the collaboration partner's resources and expertise, the terms and conditions of the proposed partnership, collaboration or licensing arrangement and the proposed collaboration partner's evaluation of a number of factors. Those factors may include the design or results of clinical trials, the likelihood of approval by Regulatory Authorities, the potential market for the subject product candidate, the costs and complexities of manufacturing and delivering such product candidate to trial participants, the potential of competing drugs, the existence of uncertainty with respect to our ownership of technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge, and industry and market conditions generally. The collaboration partner may also consider alternative product candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with us for our product candidate. The terms of any additional partnership, collaboration and licensing arrangements or other arrangements that we may establish may not be favorable to us.

Our existing collaboration and licensing agreements, and any agreements we may enter into in the future, may contain provisions that limit our operational flexibility, including field-of-use limitations, territory restrictions, or exclusivity provisions that preclude us from independently exploiting, or entering into arrangements with third parties with respect to, certain product candidates or technologies in defined areas. Any such restrictions could limit our ability to maximize the value of our pipeline and platform or to pursue new strategic opportunities. In addition, disputes with existing partners regarding the scope of any such restrictions could result in litigation or arbitration, divert management attention, and adversely affect our development and commercialization activities.

We may not be able to negotiate additional partnership, collaboration and licensing arrangements on a timely basis, on favorable terms or at all. Strategic alliances are complex and time-consuming to negotiate and document. If we are unable to negotiate and enter into new partnership, collaboration and licensing arrangements, we may have to curtail the development of the product candidate for which we are seeking to collaborate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to increase our expenditures to fund development or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us on favorable terms or at all. If we do not have sufficient funds, we may not be able to further develop our product candidates or bring them to market and generate product revenue.

If any collaborator materially amends, terminates or fails to perform its obligations under agreements with us, the development and commercialization of our products or product candidates could be delayed or terminated.

Our dependence on collaborators for capabilities and funding means that our business could be adversely affected if any collaborator materially amends or terminates its collaboration agreement with us, in whole or in part, or fails to perform its obligations under that agreement. Our current or future collaborations, if any, may not be scientifically or commercially successful. Disputes may arise in the

future with respect to the ownership of rights to technology or products developed with our collaborators, which could have an adverse effect on our ability to develop and commercialize any affected product candidate. Our current collaborations allow, and we expect that any future collaborations will allow, either party to terminate the collaboration for a material breach by the other party.

In addition, under certain circumstances, our collaborators may have additional termination rights for convenience with respect to the collaboration as a whole or a particular program under the collaboration. If we were to lose a commercialization collaborator, we would have to attract a new collaborator (potentially on less favorable terms for us than we have with our existing collaborator) or develop expanded sales, distribution and marketing capabilities internally, which would require us to invest significant financial and management resources, or discontinue the program. Following termination, we may not regain all rights to independently develop or commercialize the relevant product candidates or technologies, which could further limit our ability to extract value from the affected program. Any such outcome could result in significant delays, increased costs, and material adverse effects on our business, financial condition, and results of operations.

In addition, if we have a dispute with a collaborator over the ownership of technology or other matters, or if a collaborator terminates its collaboration with us, for breach or otherwise, or determines not to pursue the research, development and/or commercialization of the affected product or product candidate, it could delay our development of product candidates, result in the need for additional company resources to develop the impacted product candidate(s), require us to expend time and resources to develop expanded sales and marketing capabilities on a more expedited timeline, make it more difficult for us to attract new collaborators and adversely affect how we are perceived in the business and financial communities.

Moreover, a collaborator, or in the event of a change in control of a collaborator or the assignment of a collaboration agreement to a third party, the successor entity or assignee could determine that it is in its interests to:

- pursue alternative technologies or develop alternative products, either on its own or jointly with others, that may be competitive with the products on which it is collaborating with us or which could affect its commitment to its collaboration with us;
- pursue higher-priority programs or change the focus of its development programs, which could affect the collaborator's commitment to us; or
- if it has commercial rights, choose to devote fewer resources to the marketing of our products, if any receive regulatory approval, than it does for products developed or commercialized outside of our collaboration.

If any of these occur, the development and commercialization of one or more products or product candidates could be delayed, curtailed or terminated because we may not have sufficient financial resources or capabilities to continue such development and commercialization on our own.

We have no sales, distribution or marketing experience, and may invest significant financial and management resources to establish these capabilities. If we are unable to establish such capabilities or enter into agreements with third parties to market and sell our future products, if approved, we may be unable to generate any revenues.

Given our stage of development as a company, we have no sales, distribution or marketing experience. To successfully commercialize any products that may result from our programs, we will need to develop sales and marketing capabilities in the United States, Europe and other regions, either on our own or with others. These efforts will require substantial additional resources, some or all of which may be incurred in advance of any approval of these product candidates. Any failure or delay in the development of our or third parties' internal sales, marketing and distribution capabilities would adversely impact the commercialization of our product candidates.

Factors that may inhibit our efforts to commercialize our product candidates on our own include:

- inadequate funding;

- our inability to recruit and retain an adequate number of effective sales and marketing personnel;
- the inability of sales personnel to obtain access to or persuade an adequate number of physicians to prescribe any future products;
- the lack of complementary products to be offered by sales personnel, which may put us at a competitive disadvantage compared to companies with more extensive product lines; and
- unforeseen costs and expenses associated with creating an independent sales and marketing organization.

We may enter into partnership, collaboration and licensing arrangements with third parties to utilize their mature marketing and distribution capabilities, but we may be unable to enter into marketing agreements on favorable terms, if at all. If these third parties do not commit sufficient resources to commercialize our future products, if any, and we are unable to develop the necessary marketing capabilities on our own, we may be unable to generate sufficient product revenue to sustain our business. We may be competing with many companies that currently have extensive and well-funded marketing and sales operations. Without a significant internal team or the support of a third party to perform marketing and sales functions, we may be unable to compete successfully against these more established companies. Our future product revenue may be lower than if we directly marketed or sold our product candidates, if approved. In addition, any revenue we receive will depend in whole or in part upon the efforts of these third parties, which may not be successful and are generally not within our control. If we are not successful in commercializing any approved products, our future product revenue will suffer and we may incur significant additional losses.

If we do not establish sales and marketing capabilities successfully, either on our own or in collaboration with third-parties, we will not be successful in commercializing our product candidates.

Risks Related to Our Intellectual Property

Our success is largely based upon our intellectual property and proprietary technologies, and we may be unable to adequately protect and/or enforce our intellectual property.

Our success depends, in large part, on our ability to obtain and maintain patents, trademarks, trade secrets, know-how and other intellectual property rights and proprietary technology relating to our City Platform, our integrated RNAi platform, technologies and our product candidates, as well as our ability to successfully enforce our rights against third party infringers and/or defend our intellectual property against third party challenges or misappropriation. If we (or our licensees or licensors who may have the right to prosecute or enforce certain patents within our portfolio) fail to appropriately prosecute or are unable to obtain and maintain patent protection for our product candidates (or aspects thereof), our ability to develop, license and/or commercialize these product candidates may be adversely affected and we may not be able to prevent competitors from making, using, selling or importing competing products. This failure or inability to properly or adequately protect the intellectual property rights relating to these product candidates could have a material adverse effect on our business, financial condition, results of operations and/or prospects. We may lose a considerable amount of control over our intellectual property and may not receive anticipated revenues in strategic transactions, particularly where the consideration is contingent on the achievement of development or sales milestones.

RNAi therapeutic technology is not a new scientific field. We believe we are uniquely positioned to lead the next generation of RNAi therapeutic breakthroughs. Our differentiated City Platform is built on parallel innovation in two core areas: engineering the RNAi trigger, the double-stranded RNA that drives sequence-specific cleavage of target mRNA, and developing novel ligands for targeted extrahepatic delivery. We have applied for patents relating to our City Platform and some of our product candidates. The pending patent applications that we own or in-license in the United States and in key markets around the world, claim different aspects relating to our product candidates and potential product candidates and to the engineering, development, manufacture and commercialization of such product candidates including, but not limited to, compositions and methods of use.

The patent application process is subject to numerous risks and uncertainties, and there can be no assurance that we or our partners will be successful in protecting our product candidates by obtaining, maintaining, enforcing and defending patents. Patent applications are being processed by national patent offices around the world. There is uncertainty about which patents will issue, and, if they do, as to when, to whom, and with what claims. These risks and uncertainties include the following:

- patent applications may not result in any patent being issued;
- patents that may be issued may not include claims that cover a broad enough scope to prevent alternative solutions by competitors;
- patents that may be issued may be challenged, invalidated, modified, revoked, circumvented, found to be unenforceable or otherwise may not provide adequate barriers to entry or any competitive advantage;
- because of the extensive time required for development, testing and regulatory review of a product candidate, it is possible that before a potential product can be commercialized, any related patent may expire, or remain in existence for only a short period following commercialization, thereby reducing, or eliminating any advantage of the patent;
- our competitors, many of which have substantially greater resources than we or our partners have, and many of which have made significant investments in competing technologies, may seek, or may already have sought or obtained, patents that will limit, interfere with or eliminate our ability to make, use and sell our product candidates;
- there may be significant pressure on the United States government and other governmental bodies to limit the scope of patent protection or impose compulsory licensing of patent rights for disease treatments that prove successful as a matter of public policy regarding worldwide health concerns;
- countries other than the United States may have less robust patent laws than those upheld by United States courts, allowing foreign competitors the ability to exploit these laws to create, develop, and market competing products using our technologies and patents; and
- we may be involved in lawsuits and/or proceedings before government agencies, such as patent offices, to defend or enforce our patents or the patents we have rights to enforce, which could be expensive, time-consuming, distracting and/or unsuccessful.

In addition to patents, we also rely on proprietary trade secrets and know-how. Although we have taken steps to protect our unpatented proprietary trade secrets and know-how, including maintaining data security protocols and capabilities and entering into confidentiality agreements with third parties, and confidential information and assignment agreements with employees, consultants and advisors, there exists the potential that third parties may still somehow obtain this information or arrive at the same or similar information independently, which could reduce or eliminate our competitive advantages. Moreover, we may become subject to allegations that we directly or indirectly (through our consultants, advisors or independent contractors that we may engage to assist us in developing our product candidates) have wrongfully or inadvertently disclosed, acquired or used trade secrets or other proprietary information of third parties.

If our trade secrets are not adequately protected, our business, financial condition, results of operations and prospects could be adversely affected.

These risks are heightened due to our reliance on third parties, including third party CROs and CDMOs, for certain aspects of our business. The activities conducted by our third-party vendors require us to share our trade secrets with them, which increases the possibility that a competitor will discover them or that our trade secrets will be misappropriated or disclosed.

We may be forced to litigate to enforce or defend our intellectual property rights.

We may be forced to litigate to enforce or defend our intellectual property rights against infringement by competitors, and to protect our trade secrets and know-how against unauthorized use, but we may

not be able to detect or prevent, alone or with our licensors, infringement, misappropriation or other violations of our intellectual property rights. In so doing, we may place our intellectual property at risk of being invalidated, rendered unenforceable or limited or narrowed in scope such that we may no longer be able to adequately prevent the manufacture, sale or import of competitive products. In an infringement proceeding, a court may decide that a patent we own or a patent we may license in the future is invalid or unenforceable or may refuse to stop the other party from using the invention at issue. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the United States Patent and Trademark Office (the "USPTO") or made a misleading statement during prosecution. The outcome following legal assertions of invalidity and unenforceability is unpredictable. An adverse outcome in a litigation or proceeding involving our patents could limit our ability to assert our patents against those parties or other competitors and may curtail or preclude our ability to exclude third parties from making and selling similar or competitive products. Any of these occurrences could adversely affect our competitive position, business, financial condition, results of operations or prospects. Similarly, if we assert trademark infringement claims, a court may determine that the marks we have asserted are invalid or unenforceable, or that the party against whom we have asserted trademark infringement has superior rights to the marks in question. In this case, we could ultimately be forced to cease use of such trademarks.

Even if we establish infringement, the court may decide not to grant an injunction against further infringing activity and instead award only monetary damages, which may or may not be an adequate remedy. Moreover, an adverse result in any litigation or other proceedings before government agencies such as the USPTO, may place pending applications at risk of non-issuance or limitations in scope. Further, derivation proceedings, *ex parte* reexamination, *inter partes* review, post-grant review and opposition proceedings provoked by third parties or brought by the USPTO or any foreign patent authority may be used to challenge the inventorship, ownership, claim scope or validity of our patents. Additionally, because of the substantial amount of discovery typically required in connection with intellectual property litigation, there is a risk that some of our confidential and proprietary information, trade secrets or know-how 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, and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the value of the company. Such litigation or proceedings could substantially increase our operating losses. reduce the resources available for development activities or any future sales, marketing or distribution activities and distract our personnel from their normal responsibilities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace.

The United States government and/or government agencies have provided funding or other assistance in connection with the development of the intellectual property rights owned by or licensed to us and if we enter into future arrangements involving government funding, and we make inventions as a result of such funding, our intellectual property rights to such discoveries may be subject to the applicable provisions of the Bayh Dole Act of 1980 (the "Bayh Dole Act").

The United States government and/or government agencies have provided funding or other assistance in connection with the development of the intellectual property rights licensed to us, and if we enter into future arrangements involving government funding, and we make inventions as a result of such funding, our intellectual property rights to such discoveries may be subject to the applicable provisions of the Bayh Dole Act. To the extent any of our current and future intellectual property is generated through the use of United States government funding, the provisions of the Bayh Dole Act may similarly apply. If we enter into future arrangements involving government funding, any exercise by the government of certain rights could harm our competitive position, business, financial condition, results of operations and prospects.

United States government rights in certain inventions developed under a government-funded program include a non-exclusive, non-transferable, irrevocable worldwide license to use inventions for governmental purposes. In addition, the United States government would have the right to require us to grant exclusive, partially-exclusive or non-exclusive licenses to any of these inventions to a third party if the government determines that: (i) adequate steps have not been taken to commercialize the invention; (ii) government action is necessary to meet public health or safety needs or (iii) government action is necessary to meet requirements for public use under federal regulations, which are referred to as "march-in" rights. The United States government will also have the right to take title to these inventions if we fail, or the applicable licensor fails, to disclose the invention to the government, elect title and file an application to register the intellectual property within specified time limits. In addition, the United States government may acquire title to these inventions in any country in which a patent application is not filed within specified time limits. Intellectual property generated under a government funded program is also subject to federal regulations such as march-in rights, certain reporting requirements, compliance with which may require us, or the applicable licensor, to expend substantial resources. In addition, the United States government requires that any products embodying the subject invention or produced through the use of the subject invention be manufactured substantially in the United States. The manufacturing preference requirement can be waived if the owner of the intellectual property can show that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible.

If we become involved in patent litigation or other proceedings related to a determination of rights, we could incur substantial costs and expenses, substantial liability for damages or be required to stop our product development and commercialization efforts.

Our commercial success depends in part on our ability and the ability of any of our future partners to develop, manufacture, market and sell our product candidates and use our proprietary technologies without infringing on the intellectual proprietary rights of third parties. There is a substantial amount of litigation and patent office proceedings, both within and outside the United States, involving patent and other intellectual property rights in the biotechnology, biopharmaceutical, pharmaceutical and high-tech industries, including patent infringement lawsuits, oppositions, *ex parte* reexaminations, post-grant review, *inter partes* review, interference proceedings, and derivation proceedings before the USPTO and corresponding foreign patent offices. Numerous United States and foreign pending patent applications, which are owned by third parties, exist in the fields in which we are pursuing product candidates.

We may be subject to patent infringement claims, which could result in substantial costs and liability and prevent us from commercializing our potential products. Third parties may assert that we are employing their proprietary technology without authorization. There may be third-party patents or patent applications, which purport to claim compositions, formulations, methods of manufacture or methods for treatment relating to our product candidates, their manufacture or use. Because patent applications in most countries remain confidential for a period of time after they are filed (commonly, 18 months), it is possible that there are unpublished patent applications that may later issue with claims that our product candidates may be alleged to infringe. Because patent applications can take many years to issue, there may be pending patent applications which do not currently seem relevant, but may later result in issued patents that our product candidates may be alleged to infringe. In addition, third parties may obtain patents in the future and then allege that our technologies infringe upon these patents. Additionally, under United States patent law, a patent owner may seek a reissue within two years of issuance of a patent to broaden the scope of that patent's claims. As a result, patents that, at the time of issuance, do not appear relevant to our activities may later be broadened in a manner that could impact our business. We cannot assure that any of our or our licensors' patent searches or analyses, including the identification of relevant patents, the scope of patent claims or the expiration of relevant patents, are or will be complete or thorough, nor can we be certain that we or our licensors have identified or will identify each and every third-party patent and pending patent application in the United States and abroad that is relevant to or necessary for the development, manufacture, and commercialization of our current and future products and product candidates in any jurisdiction. Our interpretation of the relevance or the scope of a patent or a pending patent application may be incorrect, which may negatively

impact our ability to market our products. We may incorrectly determine that our products or product candidates are not covered by a third-party patent or may incorrectly predict whether a third party's pending patent application will issue with claims of relevant scope. Alternatively, we may incorrectly determine that the Hatch-Waxman Amendments (as defined below) are a defense for a safe harbor to infringement of a patent we consider relevant to the research or clinical development of our product candidates. Our determination of the expiration date of any patent in the United States or abroad that we consider relevant may be incorrect, and we may incorrectly conclude that a third-party patent is invalid and unenforceable or not infringed. Our failure to identify and correctly interpret relevant patents may negatively impact our ability to develop, manufacture and market our products and product candidates. If we fail to identify and correctly interpret relevant patents, we may be subject to infringement claims. As the number of competitors in the market grows and the number of patents issued in this area increases, the possibility of patent infringement claims escalates. Defense of infringement and other claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of employee resources from our business.

Third party claims of intellectual property infringement may prevent or delay our development and commercialization efforts. We work in a highly competitive field. Numerous U.S. and foreign-issued patents and pending patent applications owned by third parties exist in the fields in which we plan to commercialize our products, including thromboembolic disease, Stargardt disease, and anemia of chronic disease, for which we are developing our product candidates using our proprietary City Platform technologies, as well as retinal diseases and CNS diseases, for which we are developing product candidates in collaborations with partners. Some of these applications may be confidential for a period of time after they are filed (commonly, 18 months). As we gain greater visibility and market exposure as a public company, the risk increases that our programs and commercialization activities may give rise to claims of infringement of the patent rights of others. We cannot assure you that our product candidates and other proprietary technologies we develop will not infringe existing or future patents owned by third parties. We may not be aware of patents that have already been issued for which a third party, such as a competitor in the fields in which we are developing our product candidates, might assert as infringed by us. It is also possible that patents owned by third parties of which we are aware, but which we do not believe we infringe or that we believe we have valid defenses to any claims of patent infringement, could be found to be infringed by us. It is not unusual that corresponding patents issued in different countries have different scopes of coverage, such that in one country a third-party patent does not pose a material risk, but in another country, the corresponding third-party patent may pose a material risk to any of our current or future product candidates.

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

- infringement and other intellectual property allegations, which, regardless of merit, may be expensive and time-consuming to litigate and may divert our management's attention and financial resources from our core business;
- substantial damages for infringement, which we may have to pay if a court decides that the product candidate or technology at issue infringes on or violates the third party's rights, and, if the court finds that the infringement was willful, we could be ordered to pay treble damages and the patent owner's attorneys' fees (and, in certain jurisdictions outside of the United States, we could be ordered to pay the patent owner's attorneys' fees even without such finding);
- a court prohibiting us from developing, manufacturing, importing, marketing or selling our product candidates, or from using our proprietary technologies, unless the third party licenses its product rights to use, which it is not required to do;
- even if a license is available from a third party, we may have to pay substantial royalties, upfront fees, milestones and other amounts and/or grant cross-licenses to intellectual property rights for our products; and
- redesigning our product candidates or processes so they do not infringe, which may not be possible or may require substantial monetary expenditures and time.

Any of the foregoing could have a material adverse effect on our business, results of operations, financial condition and prospects.

Our ability to commercialize our product candidates in the United States and abroad may be adversely affected if we cannot successfully defend against infringement allegations or obtain a license on commercially reasonable terms to relevant third party patents that cover our product candidates. Even if we have a strong defense and/or believe that third party intellectual property allegations are without merit, there can be no assurance that a court would find in our favor on questions of infringement, validity, enforceability and/or priority. A court of competent jurisdiction could hold that these third party patents are valid and enforceable and have been infringed upon, which could materially and adversely affect our ability to commercialize our product candidates or technologies covered by the asserted third party patents. In order to successfully challenge the validity of any such United States patent in federal court, we would need to overcome a presumption of validity. As this burden is high, which requires us to present clear and convincing evidence as to the invalidity of any such United States patent claims, there is no assurance that a court of competent jurisdiction would invalidate the asserted claims of any such United States patent.

If we are found to infringe a third party's intellectual property rights, and we are unsuccessful in demonstrating that any such patents are invalid or unenforceable, any license we are able to obtain may be non-exclusive, thereby giving our competitors and other third parties access to the same technologies licensed to us, and may require us to pay substantial licensing fees and/or make ongoing royalty payments. If we are unable to obtain a necessary license to a third-party patent on commercially reasonable terms, we may be unable to commercialize our product candidates or such commercialization efforts may be significantly delayed, which could in turn significantly harm our business. We also could be found liable for significant monetary damages, including treble damages and attorneys' fees, if we are found to have willfully infringed on a patent or other intellectual property right.

Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. In addition, any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise the funds necessary to continue our operations or could otherwise have a material adverse effect on our business, results of operations, financial condition and prospects.

Moreover, in recent years, individuals and groups that are non-practicing entities, commonly referred to as "patent trolls," have acquired patents and other intellectual property assets for the purpose of making claims of infringement in order to extract settlements. From time to time, we may receive demand letters, notices or "invitations to license," or may be the subject of claims that our products and business operations infringe or violate the intellectual property rights of others.

We may not be successful in obtaining or maintaining necessary intellectual property rights to product components and manufacturing processes for our development pipeline.

At present, we have rights to certain intellectual property through licenses from third parties and under patent filings that we own, to develop our product candidates. Because our pipeline may involve additional product candidates that could require the use of proprietary rights held by third parties, the growth of our business could depend in part on our ability to acquire, in-license or use these proprietary rights. In addition, our product candidates may require specific pharmaceutical formulations or delivery technologies to work effectively and efficiently, and these rights may be held by others. We may be unable to acquire or in-license intellectual property rights that may be necessary to permit us to implement our City Platform technologies or develop, manufacture or use our product candidates. The licensing and acquisition of third-party intellectual property rights is a competitive area, and a number of more established companies are also pursuing strategies to license or acquire third party intellectual property rights that we may consider attractive. These established companies may have a competitive advantage over us due to their size, cash resources, and greater clinical development and commercialization capabilities. Further, we may be unable to negotiate a license within the specified time frame or under terms that are acceptable to us. If we are unable to do so, the third party may offer the intellectual property rights to other parties, potentially blocking our ability to pursue our product candidate and enabling our competitors to compete with our product candidate.

We work in highly competitive fields, in which numerous United States and foreign-issued patents and pending patent applications owned by third parties exist. Competitive products and/or competitive advanced clinical assets owned by third parties exist. We may not be able to effectively secure first-tier technologies when competing against other companies or investors.

In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire third party intellectual property rights on terms that would allow us to make an appropriate return on our investment, or at all. If we are unable to successfully obtain rights to required third party intellectual property rights, our business, financial condition, results of operations and prospects could suffer.

We are dependent on intellectual property that we have in-licensed from third parties, and our failure to comply with our obligations under these licenses could result in loss of rights that are critical to our business.

We have in-licensed from third parties intellectual property that is material to our development programs and product candidates. Our rights under these licenses are subject to our compliance with ongoing obligations, which may include the payment of fees, milestones, and royalties; the achievement of development diligence milestones; the filing and prosecution of licensed patents; and other obligations. If we fail to comply with any such obligations, our licensors may have the right to terminate our licenses. Loss of our exclusivity or termination of one or more of our in-licenses could materially impair our ability to develop and commercialize our product candidates, could allow competitors to access the same technology, and could have a material adverse effect on our business, financial condition, results of operations and prospects. We may also need to renegotiate the terms of our licenses in the future, and we cannot guarantee that any renegotiation would result in terms favorable to us.

Our rights to develop and commercialize our product candidates are, and in the future, may be subject to the terms and conditions of licenses granted to us by others.

We are dependent on patent rights, know-how and proprietary technology licensed or otherwise acquired from third parties, and we may also enter into additional agreements with third parties in the future. Our current license agreements with third parties impose, and may in the future impose additional diligence, development and commercialization timelines, milestone payments, royalties, indemnification, insurance, non-competes or other obligations on us. If we fail to comply with our obligations to our licensors, collaborators or other third parties, our counterparties may have the right to terminate or take other actions under these agreements. Termination of these agreements or reduction or elimination of our rights under these agreements may result in us having to negotiate new or reinstated agreements with less favorable terms, or cause us to lose our rights under these agreements, including our rights to important intellectual property or technology that are necessary for our business. In particular, we depend on our exclusive license agreement with OSIF, pursuant to which we in-license patent rights related to the originating technology underlying cityRNAs and certain other aspects of our technology platform. As described elsewhere in this prospectus, OSIF may terminate the OSIF License Agreement for cause under specified circumstances.

Our success will depend in part on the ability of our licensors to obtain, maintain and enforce patent protection for our licensed intellectual property. Further, certain patent filings relating to our product candidates may now or in the future be subject to step-in rights of certain of our licensors. We have limited control over certain of our licensors, and may in the future have limited control of our other licensors, prosecution activities or use or licensing of any other intellectual property that may be related to our in-licensed intellectual property. Our licensors may not successfully prosecute the patent applications we license. Even if patents issue from these patent applications, our licensors may fail to maintain these patents, may determine not to pursue litigation against other companies that are infringing these patents, or may pursue such litigation less aggressively than we would. If any of our licensors or licensees having rights to file, prosecute, maintain and defend our patent rights fail to conduct these activities for patents or patent applications covering any of our product candidates, our ability to develop and commercialize those product candidates may be adversely affected and we may not be able to prevent competitors or other third parties from making, using or selling competing products. In

addition, we may sublicense certain of our rights under various third-party licenses to our collaboration partners. Any impairment of these sublicensed rights could result in reduced revenues under our partnership, collaboration or licensing arrangement or result in termination of an agreement by one or more of our collaboration partners. In addition, intellectual property rights that we may in-license in the future may be sublicensed under intellectual property owned by third parties, in some cases through multiple tiers. The actions of our licensors may therefore affect our rights to use our sublicensed intellectual property, even if we are in compliance with all of the obligations under our license agreements. Should our licensors or any of the upstream licensors fail to comply with their obligations under the agreements pursuant to which they obtain the rights that are sublicensed to us, or should such agreements be terminated or amended, our ability to develop and commercialize our product candidates may be materially harmed.

We cannot be certain that such activities by our licensors have been or will be conducted in compliance with applicable laws and regulations or will result in valid and enforceable patents or other intellectual property rights. Pursuant to the terms of the license agreements with our licensors, such licensors may have the right to control enforcement of our licensed patents or defense of any allegations asserting the invalidity of such patents and, even if we are permitted to pursue such enforcement or defense, we cannot ensure the cooperation of our licensors or, in some cases, other necessary parties, such as any co-owners of patents or other intellectual property from which we have not yet obtained a license. We cannot be certain that our licensors will allocate sufficient resources or prioritize their or our enforcement of such patents or defense of such allegations to protect our interests in the licensed patents. Even if we are not a party to these legal actions, an adverse outcome could harm our business because it might prevent us from continuing to license intellectual property that we may need to operate our business. In addition, even when we have the right to control patent prosecution of licensed patents and patent applications, enforcement of licensed patents, or defense of allegations asserting the invalidity of those patents, we may still be adversely affected or prejudiced by actions or inactions of our licensors and their counsel that took place prior to or after assuming control.

Our current or future license agreements may not provide exclusive or sufficient rights to use such intellectual property and technology in all relevant fields of use and in all territories in which we may wish to develop or commercialize our product candidates in the future. Some licenses granted to us may be subject to certain preexisting rights held by the licensors or certain third parties. As a result, we may not be able to prevent third parties from developing and commercializing competitive products in certain territories or fields.

In the event that our third-party licensors or other counterparties determine that, in spite of our efforts, we have breached a license agreement or have failed to meet certain obligations thereunder, it may elect to terminate the applicable agreement or, in some cases, one or more licenses under such agreement or otherwise restrict our rights under the agreement. Such termination or restriction of rights could result in us losing the ability to develop and commercialize product candidates and technology covered by the licensed intellectual property. In the event of such termination, or if the underlying patent rights under a third party in-license or other agreement fail to provide the intended exclusivity, third parties may be able to seek regulatory approval of, and to market, products identical to ours and we may be required to cease the development and commercialization of our product candidates. Moreover, our licensors may own or control intellectual property that has not been licensed to us and, as a result, we may be subject to allegations, regardless of their merit, that we are infringing or otherwise violating a licensor's rights. Any of these events could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects.

In addition, the agreements under which we license or otherwise acquire intellectual property or technology from third parties are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant patents, know-how and proprietary technology, or increase what we believe to be our financial or other obligations under the relevant agreement. Disputes may also arise between us and our licensors or other counterparties regarding intellectual property subject to a license agreement, including: the scope of rights granted under the 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 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 or otherwise acquired 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 collaboration partners.

If disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on favorable 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.

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

In addition to patent protection, we rely heavily upon proprietary know-how protection and data security protocols and capabilities, as well as non-disclosure agreements and invention assignment agreements with our employees, consultants and third parties, to protect our confidential and proprietary information, especially where we do not believe patent protection is appropriate or obtainable.

It is our policy to require our employees, corporate collaborators, outside scientific collaborators, CROs, CDMOs, service providers, consultants, advisors and other third parties to execute confidentiality agreements upon the commencement of employment, consulting or business relationships with us. These agreements generally provide that all confidential information concerning our business or financial affairs developed by or made known to an individual or entity during the course of that party's relationship with us are to be kept confidential and not disclosed to third parties, except in certain specified circumstances. In the case of employees, the agreements also provide that all inventions conceived by the individual, and that are related to our current or planned business or research and development or made during normal working hours, on our premises or using our equipment or proprietary information, are our exclusive property. In the case of consultants and other third-party service providers, the agreements provide us with certain rights to all inventions arising from the services provided to us by those individuals or entities. However, we cannot assure that we have entered into agreements with each party that may have or have had access to our proprietary technologies and processes. Additionally, the assignment of intellectual property rights may not be self-executing, or assignment agreements may be breached, and we may be forced to bring claims against third parties, or defend allegations that they may bring against us, to determine the ownership of what we regard as our intellectual property. We may not be able to obtain adequate remedies for any breaches of such agreements. Ultimately, enforcing a claim that a party wrongfully or illegally disclosed or misappropriated trade secrets or know-how can be difficult, expensive and time consuming, and the outcome is unpredictable.

In addition to contractual measures, we try to protect the confidential nature of our proprietary information through other appropriate precautions, such as physical and technological security measures. However, trade secrets and know-how can be difficult to protect despite these precautions. Such measures may not, for example, in the case of misappropriation of trade secrets or know-how by an employee, former employee, or third party with authorized access, provide adequate protection for our proprietary information. Our security measures may not prevent an employee, former employee, or consultant from misappropriating our trade secrets or know-how and providing them to a competitor, and recourse we take against such misconduct may not provide an adequate remedy to protect our interests fully. Enforcing a claim that a party wrongfully or illegally disclosed or misappropriated trade secrets or know-how can be difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, trade secrets and know-how may be independently developed by others in a manner that could prevent legal recourse by us. If any of our confidential or proprietary information, such as our

trade secrets or know-how, were to be disclosed or misappropriated, or if any such information were independently developed by a competitor, our competitive position could be harmed.

Former employees may obtain employment with companies or academic institutions that could be considered competitive with us and are operating their business in areas that are similar to ours, including in their business model, product design efforts, product development or formulation technology. This competition may be limited by contractual provisions which may or may not be enforceable by us in the Commonwealth of Massachusetts or other jurisdictions. In addition, we may not be aware of such competitive employment arrangements until after our trade secrets or know-how has been disclosed to potentially competitive companies.

If we choose to go to court to stop a third party from using any of our trade secrets or know-how, we may incur substantial costs. In addition, courts inside and outside the United States are sometimes less willing or unwilling to protect trade secrets or know-how. Even if we are successful, these types of lawsuits may consume, in addition to substantial costs, significant amounts of our time and other resources. We may also need to share our proprietary know-how with current or future partners, collaborators, contractors and others located in countries at heightened risk of theft of trade secrets, including through direct intrusion by private parties or foreign actors, and those affiliated with or controlled by state actors. As a result, we may encounter significant problems in protecting and defending our intellectual property both in the United States and abroad. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may be subject to allegations that our employees, consultants or independent contractors have wrongfully used or disclosed confidential information of third parties or that our employees have wrongfully used or disclosed alleged trade secrets of their former employers.

As is common in the biotechnology industry, we employ individuals, including certain of our employees, who are or were previously employed at academic institutions or other biotechnology companies, including our competitors or potential competitors. For example, many of our co-founders and employees have held various positions in academia and in the RNAi industry. Although we seek to ensure that our employees, consultants and independent contractors do not use the proprietary information or know-how of others in their work for us, we may be subject to allegations that we, or our employees, consultants or independent contractors, have inadvertently or otherwise used or disclosed intellectual property, including trade secrets, know-how or other proprietary information, of any of our employees' former employers or other third parties. Litigation may be necessary to defend against these allegations. If we fail in defending against any such allegations, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel, which could adversely impact our business. Even if we are successful in defending against such allegations, litigation could result in substantial costs and be a distraction to management and other employees.

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

We may be subject to allegations that former employees, collaborators or other third parties have an ownership interest in our patents or other intellectual property. Ownership disputes may arise, for example, from conflicting obligations of consultants or others who are involved in developing our product candidates. Litigation may be necessary to defend against these and other allegations challenging inventorship or ownership. If we fail in defending against any such allegations, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, valuable intellectual property. Such an outcome could have a material adverse impact on our business. Even if we are successful in defending against such allegations, litigation could result in substantial costs and be a distraction to management and other employees.

In addition, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that we regard as our own. The assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, and we may

be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. Such claims could have a material adverse effect on our business, financial condition, results of operations and prospects.

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, renewal fees, annuity fees and various other governmental fees on patents or applications will be due to be paid to the USPTO and various non-United States patent agencies in several stages over the lifetime of the patents or applications. The USPTO and non-United States patent agencies also require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. We employ reputable law firms and other professionals to help us comply, and in many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. However, there are situations in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, our competitors might be able to enter the market and this circumstance would have a material adverse impact on our business.

In addition, public health pandemics, geopolitical instability, natural disasters, or similar events may impair our and our licensors' ability to comply with these procedural, document submission, fee payment, and other requirements imposed by government patent agencies, which may materially and adversely affect our ability to obtain or maintain patent protection for our product candidates. There could also be delays at the USPTO caused by staffing cuts and other United States government actions as a result of the United States Department of Government Efficiency or other executive actions to reduce the size of the United States government.

The USPTO and various non-United States government agencies require compliance with certain foreign filing requirements during the patent application process. For example, in some countries, including the United States, China, India, and some European countries, a foreign filing license is required before certain patent applications are filed. The foreign filing license requirements vary by country and depend on various factors, including where the inventive activity occurred, citizenship status of the inventors, the residency of the inventors and the invention owner, the place of business for the invention owner and the nature of the subject matter to be disclosed (*e.g.*, items related to national security or national defense). In some, but not all cases, for example in China and India, a foreign filing license cannot be obtained retroactively in accordance with the applicable rules. There are situations, however, in which non-compliance can result in abandonment of a pending patent application or can be grounds for revoking or invalidating an issued patent, resulting in the loss of patent rights in the relevant jurisdiction. In such an event, potential competitors might be able to enter the relevant markets with similar or identical products or technology, which could have a material adverse effect on our business, financial condition, results of operations and prospects. We may also be dependent on our licensors to take the necessary actions to comply with these requirements with respect to our licensed intellectual property.

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

If we or one of our collaboration partners were to 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 is invalid and/or unenforceable. In patent litigation in the United States, counterclaims alleging invalidity or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including patent subject matter eligibility, novelty, non-obviousness, written description and/or enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution. Third parties may also raise similar allegations before administrative bodies in the United

States or abroad, even outside the context of litigation. Such mechanisms include *ex parte* reexamination, *inter partes* review, post-grant review, interference proceedings, derivation proceedings, and equivalent proceedings in foreign jurisdictions (*e.g.*, opposition proceedings). Such proceedings could result in revocation or amendment of 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 and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability of patent rights covering a product candidate, 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. There is also a risk that, even if the validity of such patents is upheld, the court will construe the patent's claims narrowly or decide that we do not have the right to stop the other party from using the invention at issue on the grounds that our patent claims do not cover the invention, or decide that the other party's use of our patented technology falls under the safe harbor to patent infringement under 35 U.S.C. § 271(e)(1).

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

Patents have a limited term, and third parties may be able to circumvent our patents by developing similar or alternative products and technologies in a non-infringing manner, or develop and commercialize products and technologies similar or identical to ours and compete directly against us after the expiration of our patent rights, if any, and our ability to successfully commercialize any product or technology would be materially adversely affected. The terms of individual patents depend upon the legal term for patents in the countries in which they are granted. In most countries, including the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from the earliest non-provisional filing date in the applicable country. However, the actual protection afforded by a patent varies from country to country, and also depends upon many factors, including the type of patent, the scope of coverage, the availability of regulatory-related extensions, the availability of extensions for patent office delays during the examination process, the availability of legal remedies in a particular country and the validity and enforceability of the patent, and whether a portion of the patent term has been terminally disclaimed based on other patents. These factors may emerge and change over the course of time, and accordingly, a patent's expiration date might change over time in unpredictable ways. Various extensions including patent term extension and patent term adjustment may be available, but the durations of such extensions, and the protections they afford, are limited in the United States and other countries and regions. Additional patent terms may be available through a patent term adjustment process in the United States, resulting from USPTO delays during prosecution. Although various extensions may be available, the life of a patent, and the protection it affords, is limited. Even if patents covering our product candidates are obtained, once the patent life has expired for a product candidate, we may be open to competition from generics or biosimilars.

Depending upon the timing, duration and specifics of FDA regulatory approval of our product candidates, one or more patents issued from United States patent applications that we or a future licensor file may be eligible for limited patent term restoration under the Drug Price Competition and Patent Term Restoration Act of 1984 (the "Hatch-Waxman Amendments"). The Hatch-Waxman Amendments permit a patent restoration term of up to five years as compensation for patent term lost during the FDA regulatory review process based on the first regulatory approval for a particular drug or biologic. A maximum of one patent may be extended per FDA-approved drug as compensation for the patent term lost during the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of drug approval, and only those claims covering such approved drug product, a method for using it or a method for manufacturing it may be extended. Patent term extension may also be available in certain foreign countries upon regulatory approval of our product candidates.

Despite the possibility of an extension, we may not be granted an extension in the United States or another jurisdiction because of, for example, failure to exercise due diligence during the testing phase or regulatory review process, failing to apply within applicable deadlines, failing to apply prior to expiration

of relevant patents or otherwise failing to satisfy applicable requirements. Moreover, the applicable time or the scope of patent protection afforded could be less than we request.

If we are unable to obtain patent term extension or restoration, or the foreign equivalent, or the term of any such extension is less than we request, our competitors or other third parties may obtain approval of competing drugs following our patent expiration, and our revenue could be reduced, possibly materially. Further, if this occurs, our competitors or other third parties may take advantage of our investment in development and trials by referencing our clinical and preclinical data and launch their drug earlier than might otherwise be the case. Any of the foregoing could materially harm our business, financial condition, results of operations and prospects.

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

Filing and prosecuting patent applications and defending patents covering our product candidates in all countries throughout the world would be prohibitively expensive. Competitors may use our technologies and innovations in jurisdictions where we have not obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where we have patent protection, but enforcement rights are not as strong as those in the United States or Europe. These products may compete with our product candidates, and our and our licensors' future patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

In addition, we may decide to abandon national and regional patent applications before they are granted. The examination of each national or regional patent application is an independent proceeding. As a result, patent applications in the same family may issue as patents in some jurisdictions, such as in the United States, but may issue as patents with claims of different scope or may even be refused in other jurisdictions. Furthermore, the requirements for patentability differ in certain jurisdictions and countries. Some countries do not grant claims directed to methods of treatment or have additional restrictions on the scope of method of treatment claims compared to the United States Accordingly, depending on the country, the scope of patent protection may vary for the same product candidate.

While we intend to protect our intellectual property rights in our expected significant markets, we cannot ensure that we will be able to initiate or maintain protection efforts in all such markets. Additionally, the prosecution of patent applications in other jurisdictions is often a longer process and patents may be granted at a later date than in the United States, potentially delaying our ability to assert such patents against competitors. Accordingly, our efforts to protect our intellectual property rights in such countries may be inadequate, which may have an adverse effect on our ability to successfully commercialize our product candidates in all of our expected significant foreign markets. If we encounter difficulties in protecting, or are otherwise precluded from effectively protecting, the intellectual property rights important for our business in such jurisdictions, the value of these rights may be diminished, and we may face additional competition in those jurisdictions.

The laws of some jurisdictions do not protect intellectual property rights to the same extent as the laws or rules and regulations in the United States and Europe, and many companies have encountered significant difficulties in protecting and defending such rights in such jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, trade secrets and other intellectual property rights, which could make it difficult for us to stop the infringement of any patents we obtain or marketing of competing products in violation of our proprietary rights generally. Proceedings to enforce our patent rights in other jurisdictions, whether or not successful, could result in substantial costs and divert our efforts and attention from other aspects of our business, could put any patents we obtain at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing as patents, and could provoke third parties to legal 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, and this could negatively impact our business.

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

In Europe, a new unitary patent system took effect on June 1, 2023, which may significantly impact European patents, including those granted before the introduction of the new system. Under the new system, applicants can, upon grant of a European patent, opt for that patent to become a unitary patent which will be subject to the jurisdiction of a new unitary patent court ("UPC"). During the first seven years of the UPC's existence, patents granted before the implementation of the new system can be opted out of UPC jurisdiction, and validated as national patents in any one or more of the UPC countries. We may decide to opt out future European patents from the UPC, but doing so may preclude us from realizing the benefits of the UPC. Moreover, if we do not meet all of the formalities and requirements for opt-out under the UPC, our future European patents could remain under the jurisdiction of the UPC. Patents that are under the jurisdiction of the UPC may be challenged in a single UPC-based revocation proceeding that, if successful, could invalidate the patent in all countries that are signatories to the UPC. The UPC will provide our competitors with a new forum to centrally revoke our European patents, and allow for the possibility of a competitor to obtain pan-European injunction. Further, because the UPC is a new court system and there is no precedent for the court's laws, there is increased uncertainty regarding the outcome of any patent litigation. We are unable to predict what impact the new patent regime may have on our ability to exclude competitors in the European market. In addition to changes in patent laws, geopolitical dynamics, such as Russia's invasion of Ukraine, may also impact our ability to obtain and enforce patents in particular jurisdictions, such as the enforcement of patent rights in Russia. If we are unable to obtain and enforce patents as needed in particular markets, our ability to exclude competitors in those markets may be reduced.

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

As is the case with other biotechnology companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining, defending, maintaining and enforcing patents in the biotechnology industry involves both technological and legal complexity and is therefore costly, time consuming and inherently uncertain. Changes in either the patent laws or interpretation of the patent laws in the United States and in other major jurisdictions could increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of issued patents, and may diminish our ability to protect our inventions, obtain, maintain, enforce and protect our intellectual property rights and, more generally, could affect the value of our intellectual property or narrow the scope of our future owned and licensed patents.

In addition, the patent positions of companies in the development and commercialization of biopharmaceuticals are particularly uncertain. Recent rulings from the United States Supreme Court and the Court of Appeals for the Federal Circuit have narrowed the scope of patent protection available in specified circumstances and weakened the rights of patent owners in specified 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 United States Congress, the federal courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future. In addition, the United States Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the validity and enforceability of issued patents. Depending on future actions by the United States Congress, federal courts, the USPTO and the relevant law-making bodies in other countries, the laws and regulations governing patents could change in unpredictable ways that would weaken our or our licensors' ability to obtain new

patents and patents that we or our licensors might obtain in the future. We cannot predict how future decisions by the federal courts, the United States Congress or the USPTO may impact the value of our patents. Any similar adverse change in the patent laws of other jurisdictions could also adversely affect our business, financial condition, results of operations and prospects.

For our United States patent applications, which contain claims entitled to a priority date after March 16, 2013, there is a greater level of uncertainty due to the Leahy-Smith America Invents Act (the "Leahy-Smith Act"), which was signed into law on September 16, 2011. The Leahy-Smith Act included a number of significant changes to United States patent law. These included provisions that affect the way patent applications are prosecuted, redefine prior art and provide more efficient and cost-effective avenues for competitors to challenge the validity of patents. The USPTO has promulgated regulations and developed procedures to govern administration of the Leahy-Smith Act, and many of the substantive changes to patent law associated with the Leahy-Smith Act did not come into effect until March 16, 2013. The Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

An important change introduced by the Leahy-Smith Act is that, as of March 16, 2013, the United States transitioned to a "first-to-file" system for deciding which party should be granted a patent when two or more patent applications are filed by different parties claiming the same invention. This requires us to be cognizant of the time from invention to filing of a patent application. Furthermore, our ability to obtain and maintain valid and enforceable patents depends on whether the differences between our technology and the prior art allow our technology to be patentable over the prior art. 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 either to: (i) file any patent application related to our product candidates or (ii) invent any of the inventions claimed in our patents or patent applications.

Among some of the other changes introduced by the Leahy-Smith Act are changes that limit where a patentee may file a patent infringement suit and new procedures providing opportunities for third parties to challenge any issued patent in the USPTO. These new post grant challenges include post-grant review and *inter partes* review proceedings before the Patent Trial and Appeal Board at the USPTO. Because of a lower evidentiary standard in USPTO proceedings compared to the evidentiary standard in United States federal court necessary to invalidate a patent claim, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action. Accordingly, a third party may attempt to use the USPTO procedures to invalidate patent claims that would not have been invalidated if first challenged by the third party as a defendant in a district court action. However, recent changes at the USPTO have resulted in many fewer *inter partes* review proceedings being instituted, and the USPTO has proposed modifications to the rules of practice for implementing *inter partes* review proceedings and *ex parte* reexamination. The proposed modifications, if adopted, could impact the ability of third parties, including us, to challenge the validity of granted United States patents before the USPTO.

Geopolitical actions in the United States and in foreign countries could increase the uncertainties and costs surrounding the prosecution or maintenance of patent applications and the maintenance, enforcement or defense of issued patents. For example, the United States and foreign government actions related to Russia's invasion of Ukraine resulted in Russia issuing Decree No. 299 that effectively nullifies the enforcement of Russian patents owned by entities and individuals in "unfriendly" countries, including the United States

Similarly, changes in patent law and regulations in other countries or jurisdictions or changes in the governmental bodies that enforce them or changes in how the relevant governmental authority enforces patent laws or regulations may weaken our ability to obtain new patents or to enforce patents that we have licensed or that we may obtain in the future.

Any trademarks we have obtained or may obtain may be infringed or otherwise violated or successfully challenged. If our trademarks and trade names are not adequately protected, including if we are unable to obtain or establish desired trademarks rights or trade names rights, then we may not be able to build brand name recognition in our markets of interest and our business may be adversely affected.

We expect to rely on trademarks as one means to distinguish our product candidates, if approved for marketing, from third party products. Once we select new trademarks and apply to register them, our trademark applications may not be approved. During trademark registration proceedings in the United States and foreign jurisdictions, we may receive rejections. We are given an opportunity to respond to those rejections, but we may not be able to overcome such rejections.

We have also not yet registered trademarks for any of our product candidates in any jurisdiction. Any trademark applications we file may be rejected and registered trademarks may not be obtained, maintained or enforced. If we do not successfully register our trademarks, we may encounter difficulty in enforcing, or be unable to enforce, our trademark rights against third parties, which could adversely affect our business and our ability to effectively compete in the marketplace.

In addition, any proprietary name we propose to use with any of our product candidates in the United States will need to be approved by the FDA, regardless of whether we have registered, or applied to register, the proposed proprietary name as a trademark. The FDA conducts a review of proposed proprietary names, including an evaluation of potential for confusion with other products' proprietary names. If the FDA objects to any of our proposed proprietary product names, we may be required to expend significant additional resources in an effort to identify a suitable alternative proprietary name that would qualify for protection under applicable trademark laws, not infringe the existing rights of third parties and be acceptable to the FDA.

In addition, our unregistered trademarks or trade names may be challenged, infringed, circumvented, declared generic, or determined to be infringing on, misappropriating or violating other marks. In the USPTO and in comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. Opposition or cancellation proceedings may be filed against our trademarks, and our trademark registrations may not survive such proceedings. In the event that our trademarks are successfully challenged, we could be forced to rebrand our product candidates, which could result in loss of brand recognition and could require us to devote resources to advertising and marketing new brands. At times, competitors may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion.

Our competitors may also infringe or otherwise violate our trademarks and we may not have adequate resources to enforce our trademarks. We may not be able to protect our rights to our trademarks and trade names, which we need to build name recognition among potential collaborators or customers in our markets of interest. Any of the foregoing events may have a material adverse effect on our business.

Furthermore, in many countries, owning and maintaining a trademark registration may not provide an adequate defense against a subsequent infringement allegation asserted by the owner of a senior trademark. Over the long term, if we are unable to successfully register our trademarks and trade names and establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively, and our business may be adversely affected. Our efforts to enforce or protect our proprietary rights related to trademarks, trade names, domain names or other intellectual property may be ineffective and could result in substantial costs and diversion of resources and could adversely impact our financial condition or results of operations.

Trademark rights are territorial, and it is possible that we will not seek or successfully obtain trademark rights in certain jurisdictions that are relevant markets for the business, impeding our ability to compete effectively and adversely affecting our business.

Intellectual property rights do not necessarily address all potential threats.

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

- our product candidates, if approved, may eventually become commercially available in generic or biosimilar product forms;
- others may be able to make similar molecules to our product candidates that are not covered by the claims of the patents that we license or own now or in the future;
- we, or current or future licensors or collaborators, might not have been the first to file patent applications covering certain of our or their inventions, potentially resulting in the invalidation of such patents or refusal of such applications;
- we, or current or future licensors or collaborators, might not have been the first to make the inventions covered by the issued patent or pending patent application that we may license or own now or in the future.
- we, or current or future licensors or collaborators, may fail to meet our obligations to the United States government regarding any patents and patent applications funded by United States government grants, leading to the loss or unenforceability of patent rights;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing on our owned or licensed intellectual property rights;
- it is possible that our pending patent applications or those that we may own or license in the future will not lead to issued patents;
- it is possible that there are prior public disclosures that could invalidate our patents;
- it is possible that there are unpublished patent applications that may later issue with claims covering our product candidates or technology similar to ours;
- it is possible that our patents or patent applications omit individual(s) that should be listed as inventor(s) or include individual(s) that should not be listed as inventor(s), which may cause these patents or patents issuing from these patent applications to be held invalid or unenforceable or result in a change in ownership;
- issued patents to which we hold rights may be held invalid, unenforceable or narrowed in scope, including as a result of legal challenges;
- the claims of our issued patents or patent applications, if and when issued, may not cover our product candidates or narrowly cover them in such a way that competitors may be able to design around to avoid infringement allegations;
- the laws of foreign countries may not protect our proprietary rights or the proprietary rights of current or future licensors or collaborators to the same extent as the laws of the United States;
- the inventors of our patents or patent applications may become involved with competitors, develop products or processes that are similar to or alternative to those claimed in our patent filings or become hostile to our patents or patent applications on which they are named as inventors;
- our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- we have engaged in scientific collaborations in the past and we intend to continue to do so in the future, and our collaborators may develop adjacent or competing products that are outside the scope of our patents;
- we may not develop additional proprietary technologies that are patentable;

- the product candidates we develop may be covered by third party patents or other intellectual property rights;
- the patents of others may prohibit or otherwise harm our ability to conduct our business; or
- we may choose not to file a patent in order to maintain certain know-how, and a third party may subsequently commercialize the technology and/or file a patent covering such intellectual property.

Should any of these events occur, they could have a material adverse effect on our business, financial condition, results of operations and prospects.

Risks Related to Our Business Operations, Employee Matters and Industry

Our future success depends on our ability to retain employees, consultants and advisors and to attract, retain and motivate qualified personnel.

Our ability to compete in the highly competitive biotechnology industry depends upon our ability to attract and retain highly qualified managerial, scientific, technical and medical personnel. We are highly dependent upon members of our management, as well as technology and scientific teams, many of whom have been instrumental for us and have substantial experience with developing therapies, identifying potential product candidates and building the technologies related to the development of our City Platform and our pipeline. Each of the members of our management team, and all of our employees, including key technical personnel, scientists and clinicians, are employed "at will," meaning we (or each officer or employee) may terminate the employment relationship at any time. The loss of any of these persons' services may adversely impact the achievement of our research, development, financing and commercialization objectives. We currently do not have "key person" insurance on any of our employees. Many of our employees, including members of our executive team, have been with us for several years, and have stock options or other long-term equity incentives which may become valuable and will be publicly tradable if we become a public company. We may not be able to retain these employees due to the competitive environment in the biotechnology industry, particularly in the greater Boston, Massachusetts region.

In addition, we rely on consultants, contractors and advisors, including scientific and clinical advisors, to assist us in formulating our research and development, regulatory approval and commercialization strategy. We also rely on third-party consultants and contractors to support our internal finance, accounting and control function. Our consultants and advisors may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us. The loss of the services of one or more of our current employees or advisors might impede the achievement of our research, development, regulatory approval and commercialization objectives. In addition, we have flexibly added capability and capacity through the use of contractors. We may not be able to retain the services of such personnel, which might result in delays in the operation of our business.

Recruiting and retaining other qualified employees, consultants and advisors for our business, including scientific and technical personnel, also will be critical to our success. Competition for skilled personnel, including in research, clinical operations, regulatory affairs, therapeutic area management and manufacturing, is intense and the turnover rate can be high. We may not be able to attract and retain personnel on favorable terms given the competition among numerous biotechnology companies and academic institutions for individuals with similar skill sets. In addition, adverse publicity, failure to succeed in preclinical or clinical trials or applications for marketing approval may make it more challenging to recruit and retain qualified personnel. The inability to recruit, or loss of services of certain executives, employees, consultants or advisors, may impede the progress of our research, development and commercialization objectives and have a material adverse impact on our business, financial condition, results of operations and prospects.

We expect to expand our organization, and as a result, we may encounter difficulties in managing our growth, which could disrupt our operations.

As we advance our research and development programs, we may need to further increase the number of our employees and the scope of our operations, particularly in the areas of clinical

development, biology, chemistry, manufacturing, general and administrative matters related to being a public company, regulatory affairs and, if any of our product candidates receives marketing approval, sales, marketing and distribution. To manage our anticipated future growth, we must:

- expand our general and administrative functions;
- identify, recruit, integrate, maintain and motivate additional qualified personnel;
- manage our development efforts effectively, including the initiation and conduct of clinical trials for our product candidates;
- establish and build a marketing and commercial organization; and
- improve our operational, financial and management controls, reporting systems and procedures.

Our future financial performance and our ability to develop, manufacture and commercialize our product candidates, if approved, will depend, in part, on our ability to effectively manage any future growth, and our management may also have to divert financial and other resources, and a disproportionate amount of its attention away from day-to-day activities, to managing these growth activities.

If we are not able to effectively expand our organization by hiring new employees and expanding our groups of consultants and contractors, we may not be able to successfully implement the tasks necessary to further develop and commercialize our product candidates and, accordingly, may not achieve our research, development and commercialization goals.

Our employees, principal investigators and consultants may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements and insider trading.

We are exposed to the risk of fraud or other misconduct by our employees, principal investigators and consultants. Misconduct by these parties could include intentional failures to comply with FDA regulations or the regulations applicable in the EU and other jurisdictions, provide accurate information to Regulatory Authorities, comply with healthcare fraud and abuse laws and regulations in the United States and abroad, report financial information or data accurately or disclose unauthorized activities to us. Such misconduct also could involve the improper use of information obtained in the course of clinical trials or interactions with Regulatory Authorities, which could result in regulatory sanctions and cause serious harm to our reputation. Sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. It is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from government investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, financial condition, results of operations and prospects, including the imposition of significant fines or other sanctions.

Clinical trial and product liability lawsuits against us could divert our resources and could cause us to incur substantial liabilities and to limit commercialization of any products that we may develop.

We face an inherent risk of clinical trial and product liability exposure related to the testing of our product candidates in clinical trials, and we will face an even greater risk if we commercially sell any products that we develop, if approved. While we currently have no products that have been approved for commercial sale, the ongoing, planned, and future use of product candidates by us in clinical trials, and the sale of any approved products in the future, may expose us to liability claims. These claims might be made by patients that use the product, healthcare providers, pharmaceutical companies, or others

selling such products. If we cannot successfully defend ourselves against claims that our product candidates or products caused injuries, we will incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

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

Although we currently hold clinical trial liability insurance, we will need to maintain such insurance coverage as we expand our clinical trials or if we commence commercialization of our product candidates. Insurance coverage is increasingly expensive. We may not be able to obtain and maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise. If a successful clinical trial or product liability claim or series of claims is brought against us for uninsured liabilities or in excess of insured liabilities, our assets may not be sufficient to cover such claims and our business operations could be impaired.

If the estimates we make, or the assumptions on which we rely, in preparing our consolidated financial statements prove inaccurate, our actual results may vary from those reflected in our accruals.

Our consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). The preparation of these consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of our assets, liabilities, revenues and expenses, the amounts of charges accrued by us and related disclosure of contingent assets and liabilities. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. We cannot assure you, however, that our estimates, or the assumptions underlying them, will be correct.

Changes in United States and international trade policies, particularly with respect to China, may adversely impact our business and operating results.

The United States government has recently made statements and taken certain actions that may lead to potential changes to United States and international trade policies, including imposing several rounds of tariffs and export control and sanctions restrictions affecting certain products manufactured in China. Both China and the United States have each imposed tariffs indicating the potential for further trade barriers, including the United States Commerce Department adding numerous Chinese entities to its Unverified List, which requires United States exporters to go through more procedures before exporting goods to such entities. It is unknown whether and to what extent new tariffs, export controls, or other new laws or regulations will be adopted, or the effect that any such actions would have on us or our industry. For example, in December 2025, the NDAA for Fiscal Year 2026 was enacted, which includes Section 851, commonly referred to as the "BIOSECURE Act." The BIOSECURE Act restricts United States government agencies from procuring certain biotechnology equipment or services from, or entering into contracts with, entities that use biotechnology equipment or services from designated BCCs and from expending certain federal loan or grant funds for such equipment or services. While the BIOSECURE Act is primarily directed at United States government procurement and funding and has not yet been fully implemented through final regulations, there remains a continued policy interest in limiting United States companies' relationships with biotechnology providers with relationships with foreign

adversaries. The potential downstream adverse impacts on entities having only commercial relationships with any impacted biotechnology providers is unknown but may include supply chain disruptions or delays. Sustained uncertainty about or further escalating trade and political tensions between the United States and China may prevent or hinder the export of materials or technical information among us, our CDMOs and other relevant third parties, such as pharmaceutical partners, or could result in trade or retaliatory restrictions that may hinder or potentially inhibit our ability to rely on CDMOs and other service providers that operate in China. Further, regulatory or legislative action taken by the United States to impose restrictions on transactions with China, like the restrictions described above, could have the potential to severely restrict the ability of companies like ours to contract with Chinese BCCs, which could have adverse effects on the development of our product candidates and our business operations.

Any unfavorable government policies on international trade, such as export controls, economic sanctions, capital controls or tariffs, may increase the cost of manufacturing our product candidates and platform materials, affect our ability to commercialize our product candidates, if approved, and adversely affect the import or export of raw materials and product candidates used in our research, preclinical studies and clinical trials, particularly to the extent we rely on third-party suppliers, manufacturers or other service providers located in China. If any new tariffs, export controls, sanctions, legislation or regulations are implemented, or if existing trade agreements are renegotiated or, in particular, if either the United States or Chinese government takes retaliatory trade actions due to recent trade tensions, such changes could have an adverse effect on our business, financial condition and results of operations.

Risks Related to Ownership of Our Common Stock and This Offering

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

Prior to this offering, there was no public trading market for our common stock. If a market for our common stock does not develop or is not sustained, it may be difficult for you to sell your shares of our common stock at an attractive price or at all. We cannot predict the prices at which our common stock will trade. It is possible that in one or more future periods our results of operations may be below the expectations of public market analysts and investors, and, as a result of these and other factors, the price of our common stock may fall. An inactive market may also impair our ability to raise capital by selling our common stock and our ability to acquire other companies, products, or technologies by using our common stock as consideration.

The price of our common stock may be volatile and fluctuate substantially, which could result in substantial losses for purchasers of our common stock in this offering.

Our stock price is likely to be volatile. The stock market in general, and the market for biotechnology companies in particular, has experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, you may not be able to sell your common stock at or above the initial public offering price. The market price for our common stock may be influenced by many factors, including: the commencement, enrollment, completion or results of preclinical and clinical trials of our product candidates or those of our competitors; the success of competitive products or technologies; commencement or termination of partnership, collaboration and licensing arrangements; regulatory or legal developments in the United States and other countries; developments or disputes concerning patent applications, issued patents or other proprietary rights; significant lawsuits, including patent or stockholder litigation; the recruitment or departure of key personnel; the level of expenses related to any of our product candidates or clinical development programs; the results of our efforts to discover, develop, acquire or in-license additional product candidates; actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts; variations in our financial results or those of companies that are perceived to be similar to us; changes in the structure of healthcare payment systems; market conditions in the biotechnology and high-tech sectors, including high interest rates and borrowing costs; general economic, industry and market conditions; and the numerous product candidates in our

pipeline, the development of which could each generate news or significant AEs that could impact financial results or recommendations by securities analysts.

If our quarterly or annual results fall below the expectations of investors or securities analysts, the price of our common stock could decline substantially. Furthermore, any quarterly or annual fluctuations in our results may, in turn, cause the price of our stock to fluctuate substantially. We believe that period-to-period comparisons of our results are not necessarily meaningful and should not be relied upon as an indication of our future performance.

In the past, following periods of volatility in the market price of a company's securities, securities class-action litigation often has been instituted against that company. Such litigation, if instituted against us, could cause us to incur substantial costs to defend such allegations and divert management's attention and resources, which could seriously harm our business, financial condition, results of operations and prospects.

We may not be able to satisfy listing requirements of The Nasdaq Global Market ("Nasdaq") or obtain or maintain a listing of our common stock on Nasdaq.

If, after listing, we fail to satisfy Nasdaq's continued listing requirements, such as the corporate governance requirements or the minimum closing bid price requirement. Nasdaq may take steps to delist our common stock. Such a delisting would likely have a negative effect on the price of our common stock and would impair your ability to sell or purchase our common stock when you wish to do so. In the event of a delisting, we can provide no assurance that any action taken by us to restore compliance with listing requirements would allow our common stock to become listed again, stabilize the market price or improve the liquidity of our common stock, prevent our common stock from dropping below the Nasdaq minimum bid price requirement or prevent future non-compliance with Nasdaq's listing requirements.

Our quarterly and annual operating results may fluctuate in the future. As a result, we may fail to meet or exceed the expectations of research analysts or investors, which could cause our stock price to decline and negatively impact our financing or funding ability, as well as negatively impact our ability to exist as a standalone company.

Our financial condition and operating results have varied in the past and will continue to fluctuate from quarter-to-quarter and year-to-year in the future due to a variety of factors, many of which are beyond our control and may be difficult to predict, including:

- the timing and cost of, and level of investment in our City Platform and our research, development and, if approved, commercialization activities relating to our product candidates, which may change from time to time;
- the timing and status of enrollment for clinical trials;
- the cost of manufacturing our product candidates, as well as building out our supply chain, which may vary depending on the quantity of production and the terms of our agreements with manufacturers;
- expenditures that we may incur to acquire, develop or commercialize additional product candidates and technologies;
- timing and amount of any milestone, royalty or other payments due under any current or future collaboration, license, or acquisition agreement;
- future accounting pronouncements or changes in our accounting policies;
- the timing and success or failure of preclinical studies and clinical trials for our product candidates or competing product candidates, or any other change in the competitive landscape of our industry, including consolidation among our competitors or partners;
- the timing of receipt of approvals for our product candidates from Regulatory Authorities in the United States and internationally;

- exchange rate and interest rate fluctuations;
- coverage and reimbursement policies with respect to our product candidates, if approved, and potential future drugs that compete with our products; and
- the level of demand for our product candidates, if approved, which may vary significantly over time.

The cumulative effects of these factors could result in large fluctuations and unpredictability in our quarterly and annual operating results. As a result, comparing our operating results on a period-to-period basis may not be meaningful. Investors should not rely on our past results as an indication of our future performance.

This variability and unpredictability could also result in our failing to meet the expectations of industry or financial analysts or investors for any period. If our future revenue or operating results fall below the expectations of analysts or investors or below any forecasts we may provide to the market, or if any forecasts we provide to the market are below the expectations of analysts or investors, the price of our common stock could decline substantially. Such a stock price decline could occur even when we have met any previously publicly stated revenue or earnings guidance we may provide.

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

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

Upon the completion of this offering, shares of our common stock will be outstanding (or shares of common stock will be outstanding assuming exercise in full of the underwriters' option to purchase additional shares), based on our shares outstanding as of June 30, 2026. All shares of our common stock expected to be sold in this offering will be freely tradable without restriction or further registration under the Securities Act of 1933, as amended (the "Securities Act"), unless held by our "affiliates," as that term is defined in Rule 144 under the Securities Act. The resale of the remaining shares, or % of our outstanding shares after this offering, is currently prohibited or otherwise restricted, subject to certain limited exceptions as described in the section titled "*Underwriting*," as a result of securities law provisions, market standoff agreements entered into by our stockholders with us or lock-up agreements entered into by our stockholders with the underwriters. However, subject to applicable securities law restrictions and excluding shares of our restricted stock that will remain unvested, these shares will be able to be sold in the public market beginning 180 days after the date of this prospectus. Shares of our unvested restricted stock subject to repurchase or forfeiture that were issued and outstanding as of the date of this prospectus will become available for sale immediately upon the vesting of such shares, as applicable, and the expiration of any applicable market stand-off or lock-up agreements. Shares issued upon the exercise of stock options pursuant to future awards that may be granted under our equity incentive plans or pursuant to future awards granted under those plans will become available for sale in the public market to the extent permitted by the provisions of applicable vesting schedules, any applicable market stand-off and lock-up agreements and Rule 144 and Rule 701 under the Securities Act. For more information see the section titled "*Shares Eligible for Future Sale*."

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

In addition, certain of our executive officers, directors and stockholders affiliated with our directors may enter into Rule 10b5-1 plans providing for sales of shares of our common stock from time to time. Under a Rule 10b5-1 plan, a broker executes trades pursuant to parameters established by the executive officer, director or affiliated stockholder when entering into the plan, without further direction from the executive officer, director or affiliated stockholder. A Rule 10b5-1 plan may be amended or terminated in some circumstances. Our executive officers, directors and stockholders affiliated with our directors also may buy or sell shares outside of a Rule 10b5-1 plan when they are not in possession of material, nonpublic information.

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

If you purchase our common stock in this offering, you will incur immediate and substantial dilution in the book value of your shares.

You will suffer immediate and substantial dilution in the pro forma as adjusted net tangible book value of our common stock if you purchase in this offering. Assuming an initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, after giving effect to this offering, purchasers of common stock in this offering will experience immediate dilution of $ per share in pro forma as adjusted net tangible book value of our common shares. In addition, after giving effect to this offering, investors purchasing common stock in this offering will contribute % of the total amount invested by stockholders since inception but will only own % of the common stock outstanding. In the past, we issued options and other securities to acquire common stock at prices significantly below the initial public offering price. To the extent these outstanding securities are ultimately exercised, investors purchasing common stock in this offering will sustain further dilution. See the section titled "*Dilution*" appearing elsewhere in this prospectus for a more detailed description of the dilution to new investors in the offering.

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 public or private equity or debt financings, government or other third-party grants, asset sales, royalty financings, partnership, collaboration and licensing arrangements, or a combination of these approaches. To the extent that we raise additional capital through the sale of stock or convertible or exchangeable debt securities, warrants or other similar equity securities, your ownership interest could 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 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 collaborations and alliances and licensing arrangements with third parties or through asset sales, we may have to relinquish valuable rights to our technologies or product candidates or grant licenses on terms unfavorable to us.

If securities analysts do not publish research or reports about our business or if they publish negative evaluations of our stock, the price of our stock could decline.

The trading market for our common stock will rely, in part, on the research and reports that industry or financial analysts publish about us or our business. We do not currently have, and may never obtain, research coverage by industry or financial analysts. If no, or few, analysts commence coverage of us, the trading price of our stock may decrease. Even if we do obtain analyst coverage, if one or more of the analysts covering our business downgrade their evaluations of our stock, the price of our stock could decline. If one or more of these analysts cease to cover our stock, we could lose visibility in the market for our stock, which in turn could cause our stock price to decline.

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

Our executive officers, directors, five percent stockholders and their affiliates beneficially own approximately % of our common stock and, upon closing of this offering, that same group will beneficially own approximately % of our outstanding common stock (assuming no exercise of the underwriters' option to purchase additional shares and no exercise of outstanding options and without giving effect to (i) any potential purchases by such persons in this offering or (ii) issuance of options to be granted to certain of our employees and non-employee directors upon pricing of this offering). Therefore, even after this offering, these stockholders will have the ability to influence us through their ownership positions. For example, these stockholders, acting together, may be able to exert significant influence over matters such as 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 believe are in your best interest as one of our stockholders.

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

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

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

We have broad discretion in the use of our cash and cash equivalents, including the net proceeds from this offering, and may not use these proceeds effectively, affecting our results of operations and causing a decline in our stock price.

Our management will have broad discretion in the application of our cash and cash equivalents, including the net proceeds from this offering, and could spend the proceeds in ways that do not improve our results of operations or enhance the value of our common stock. The failure by our management to apply these funds effectively could result in financial losses that could have a material adverse impact on our business, cause the price of our common stock to decline, and delay the development of our product candidates. Pending their use, we may invest our cash and cash equivalents, including the net proceeds from this offering, in a manner that does not produce income or that loses value. See the section titled "*Use of Proceeds*" appearing elsewhere in this prospectus.

Provisions in our amended and restated certificate of incorporation, which will become effective immediately prior to the closing of this offering, and amended and restated bylaws, which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part, and Delaware law may have anti-takeover effects that could discourage an acquisition of us by others, even if an acquisition would be beneficial to our stockholders, and may prevent attempts by our stockholders to replace or remove our current management.

Our amended and restated certificate of incorporation, which will become effective immediately prior to the closing of this offering, and amended and restated bylaws, which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part, and Delaware law contain provisions that may have the effect of discouraging, delaying or preventing a change in control of us or changes in our management that stockholders may consider favorable, including transactions in which

you might otherwise receive a premium for your shares. Our amended and restated certificate of incorporation and amended and restated bylaws include provisions that:

- authorize "blank check" preferred stock, which could be issued by our board of directors without stockholder approval and may contain voting, liquidation, dividend and other rights superior to our common stock;
- create a classified board of directors whose members serve staggered three-year terms;
- specify that special meetings of our stockholders can be called only by our board of directors;
- prohibit stockholder action by written consent;
- establish an advance notice procedure for stockholder approvals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to our board of directors;
- provide that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum;
- provide that our directors may be removed only for cause;
- specify that no stockholder is permitted to cumulate votes at any election of directors;
- expressly authorize our board of directors to make, alter, amend or repeal our amended and restated bylaws; and
- require supermajority votes of the holders of our common stock to amend specified provisions of our amended and restated certificate of incorporation and amended and restated bylaws.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management. These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock.

In addition, because we are incorporated in the State of Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law ("DGCL"), which prohibits a person who owns in excess of 15% of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner.

Any provision of our amended and restated certificate of incorporation, amended and restated bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock and could also affect the price that some investors are willing to pay for our common stock.

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

We do not currently intend to declare or pay cash dividends on our capital stock. We currently intend to retain all of our future earnings, if any, to finance the growth and development of our business. In addition, the terms of any future debt agreements may preclude us from paying dividends. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future.

Our amended and restated bylaws which will become effective upon the effectiveness of this registration statement of which this prospectus forms a part designate certain courts as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by 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 bylaws which will become effective upon effectiveness of the registration statement of which this prospectus forms a part provide that, unless we consent in writing to an alternative

forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any state law claims for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of, or a claim based on, fiduciary duty owed by any of our current or former directors, officers, and employees to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, our amended and restated certificate of incorporation or our amended and restated bylaws (including the interpretation, validity or enforceability thereof) or (iv) any action asserting a claim that is governed by the internal affairs doctrine (Delaware Forum Provision). The Delaware Forum Provision will not apply to any causes of action arising under the Securities Act or the Exchange Act of 1934, as amended (the "Exchange Act"). Our amended and restated bylaws further provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States shall be the sole and exclusive forum for resolving any complaint asserting a cause or causes of action arising under the Securities Act ("Federal Forum Provision"). In addition, our amended and restated bylaws provide that any person or entity purchasing or otherwise acquiring any interest in shares of our common stock is deemed to have notice of and consented to the foregoing provisions; provided, however, that stockholders cannot and will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder.

The Delaware Forum Provision and the Federal Forum Provision in our amended and restated bylaws may impose additional litigation costs on stockholders in pursuing any such claims. Additionally, the forum selection clauses in our amended and restated bylaws may limit our stockholders' ability to bring a claim in a judicial forum that they find favorable for disputes with us or our directors, officers or employees, which may discourage such lawsuits against us and our directors, officers and employees even though an action, if successful, might benefit our stockholders. In addition, while the Delaware Supreme Court and other state courts have upheld the validity of federal forum selection provisions purporting to require claims under the Securities Act be brought in federal court, there is uncertainty as to whether other courts will enforce our Federal Forum Provision. If the Federal Forum Provision is found to be unenforceable, we may incur additional costs associated with resolving such matters. The Federal Forum Provision may also impose additional litigation costs on stockholders who assert that the provision is not enforceable or invalid. The Court of Chancery of the State of Delaware and the federal district courts of the United States may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments may be more or less favorable to us than our stockholders.

General Risk Factors

We will incur increased costs as a result of operating as a public company, and our management will be required to devote substantial time to new compliance initiatives. We will be subject to financial reporting and other requirements for which our accounting and other management systems and resources may not be adequately prepared.

As a public company, and particularly after we are no longer an "emerging growth company," we will incur significant legal, accounting and other expenses that we did not incur as a private company. In addition, the federal securities laws, including the Sarbanes-Oxley Act and rules subsequently implemented by the SEC and Nasdaq have imposed various requirements on public companies, including requirements to file annual, quarterly and event driven reports with respect to our business and financial condition, and to establish and maintain effective disclosure and financial controls and corporate governance practices. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect that these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance. We may not be able to produce reliable financial statements or file these financial statements as part of a periodic report in a timely manner with the SEC or comply with the Nasdaq listing requirements. In addition, we could make errors in our financial statements that could require us to restate our financial statements.

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

We are an "emerging growth company" ("EGC"), as defined in the JOBS Act. We will remain an EGC until the earlier of: (i) the last day of the fiscal year in which we have total annual gross revenues of $1.235 billion or more; (ii) the last day of the fiscal year following the fifth anniversary of the date of the completion of this offering; (iii) the date on which we have issued more than $1.0 billion in non-convertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC, which means the first day of the year following the first year in which the market value of our common stock that is held by non-affiliates exceeds $700 million. For so long as we remain an EGC, we are permitted and intend to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include: not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act ("Section 404"); not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements; reduced disclosure obligations regarding executive compensation; and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

We may choose to take advantage of some, but not all, of the available exemptions. We have taken advantage of reduced reporting burdens in this prospectus. In particular, we have not included all of the executive compensation information that would be required if we were not an EGC. We cannot predict whether investors will find our common stock less attractive if we rely on certain or all of 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.

In addition, the JOBS Act provides that an EGC may take advantage of an extended transition period for complying with new or revised accounting standards. This allows an EGC to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to avail ourselves of this exemption and, therefore, while we are an EGC we will not be subject to new or revised accounting standards at the same time that they become applicable to other public companies that are not EGCs.

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. In connection with this offering, we intend to begin the process of documenting, reviewing and improving our internal controls and procedures for compliance with Section 404 of the Sarbanes-Oxley Act, which will require annual management assessment of the effectiveness of our internal control over financial reporting starting with our second filing of an Annual Report on Form 10-K.

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 cause investors to lose confidence in the accuracy and completeness of our financial reports and could cause the market price of our common stock to decline significantly.

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

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

These inherent limitations include the facts that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected.

Our future ability to utilize our NOL carryforwards and certain other tax attributes may be limited.

Since our inception, we have incurred losses and we may never achieve profitability. As of December 31, 2025, we had United States federal net operating loss ("NOL") carryforwards of $47.1 million (which generally are not subject to expiration), state NOL carryforwards of $49.2 million (which begin to expire in various amounts in 2045), United States federal research credit carryforwards of $2.0 million (which expire at various dates through 2045), and state research credit carryforwards of $1.2 million (which expire at various dates through 2040). Our unused United States federal NOLs may be carried forward to offset a portion of future taxable income, if any, but the deductibility of such United States federal NOL carryforwards in a taxable year is limited to 80% of taxable income in such year. Additionally, we continue to generate business tax credits, including research and development tax credits, which generally may be carried forward to offset a portion of future taxable income, if any, subject to expiration of such credit carryforwards. Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the "Code"), if a corporation undergoes an "ownership change," generally defined as one or more shareholders or groups of shareholders that own at least five percent of the corporation's equity increasing their equity ownership in the aggregate by more than 50 percentage points (by value) over a three-year period, the corporation's ability to use its pre-change NOLs and other pre-change tax attributes (such as research and development tax credits) to offset its post-change income or taxes may be limited. Similar rules may apply under state tax laws. Our prior equity offerings and other changes in our stock ownership have resulted in such ownership changes in the past. In addition, we may experience ownership changes in the future as a result of this offering or subsequent shifts in our stock ownership, some of which are outside of our control. As a result, if we earn net taxable income, our ability to use our pre-change NOLs or other pre-change tax attributes to offset United States federal taxable income or taxes may be subject to limitations, which could potentially result in increased future tax liability to us. There is a risk that due to changes under the tax law, regulatory changes or other unforeseen reasons, our existing NOLs or business tax credits could expire or otherwise be unavailable to offset future income tax liabilities. At the state level, there may also be periods during which the use of NOLs or business tax credits is suspended or otherwise limited, which could accelerate or permanently increase state taxes. For these reasons, we may not be able to realize a tax benefit from the use of our NOLs or tax credits, even if we attain profitability.

Changes in tax laws or in their implementation or interpretation may adversely affect our business and financial condition.

The rules dealing with United States federal, state and local income taxation are constantly under review by persons involved in the legislative process and by the Internal Revenue Service, the United States Treasury Department and other taxing authorities. Changes to tax laws (which changes may have retroactive application) could adversely affect our business and our financial condition. In recent years, many such changes have been made and changes are likely to continue to occur in the future. We cannot predict whether, when, in what form or with what effective dates, tax laws, regulations and rulings

may be enacted, promulgated or decided or whether they could increase our tax liability or require changes in the manner in which we operate in order to minimize increases in our tax liability.

If our information technology systems or our infrastructure or those of third parties with whom we work, or our data, are or were compromised, we could experience adverse consequences resulting from such compromise that negatively impact our business and operations and subject us to liability.

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

We have experienced significant growth in the complexity of our data and the software tools that our hardware infrastructure supports. As a result, we rely significantly upon information technology systems and infrastructure owned and maintained by us or by third-party providers to process our sensitive information and to operate our business. We also outsource elements of our operations to, and obtain products and services from, third parties and engage in collaborations for drug design with third parties, each of which has or could have access to our sensitive information.

We deploy and operate an array of technical and procedural controls designed to reduce the risks to our information technology systems, infrastructure and sensitive information and to maintain the availability, confidentiality and integrity of our sensitive information, and we expect to continue to incur significant costs related to such detection and prevention efforts. While we continue to make investments to detect, mitigate, contain, and remediate vulnerabilities in our information technology systems, including through hiring qualified information technology personnel, conducting periodic cyber security awareness trainings, improving our information technology infrastructure and related controls, performing systematic back-ups of our data and systems, and conducting regular testing of our systems, there can be no assurance that our efforts will be effective. Actions taken by us or the third parties with whom we work to detect, investigate, mitigate, contain, and remediate a security incident could result in outages, data losses, and disruptions of our business. Threat actors may also gain access to other networks and systems after a compromise of our networks and systems. For example, threat actors may use an initial compromise of one part of our environment to gain access to other parts of our environment or leverage a compromise of our networks or systems to gain access to the networks or systems of third parties with whom we work, such as through phishing or supply chain attacks.

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

In particular, severe ransomware attacks are becoming increasingly prevalent and can lead to significant interruptions in our operations, ability to provide our products or services, loss of sensitive information and income, reputational harm, and diversion of funds. Extortion payments may alleviate the

negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments.

With respect to cyber-attacks, the techniques used by cyber criminals change frequently, may not be recognized until launched, and can originate from a wide variety of sources, including outside groups and individuals with a range of motives (including industrial espionage) and expertise, such as organized crime affiliates, terrorist organizations or hostile foreign governments or agencies. These risks may be heightened in connection with geopolitical events or in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we, the third parties with whom we work, may be vulnerable to a heightened risk of these attacks, including retaliatory cyber-attacks, that could materially disrupt our systems and operations, supply chain, and ability to produce and distribute our goods and services.

The costs to detect, investigate, mitigate, contain and remediate actual and suspected cybersecurity breaches and incidents could be significant. We may not be able to anticipate all types of security threats and implement preventive measures effective against all such threats. In addition, remote work has increased risks to our information technology systems and data, as our employees utilize network connections, computers and devices outside our premises or network, including working at home, while in transit and in public locations.

Cybersecurity threats and other disruptions, including the unauthorized, unlawful or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to, our sensitive information or our information technology systems, or those of the third parties with whom we work, have become increasingly prevalent across industries, including the biotechnology industry, and may affect us in the future. From time to time, we have experienced cybersecurity events common to companies in our industry, such as phishing attempts, none of which has resulted in a material cybersecurity incident to date. However, there can be no assurance that we will not experience a material cybersecurity incident or other disruption in the future.

Additionally, despite our efforts to identify and address vulnerabilities in our information technology systems and infrastructure, we may not detect or remediate all vulnerabilities, including on a timely basis. We may also experience delays in developing and deploying remedial measures, security updates and patches designed to address identified vulnerabilities. Any such vulnerabilities could be exploited by threat actors and result in cybersecurity incidents or other disruptions.

The loss, corruption, unavailability of or damage to our data would interfere with and undermine the insights we draw from our City Platform and could impair the integrity of our clinical trial data, leading to potential regulatory delays or the inability to get our product candidates approved. If we do not accurately predict and identify our infrastructure requirements and failures and timely enhance our infrastructure, or if our remediation efforts are not successful, it could result in a material disruption of our business operations and development programs, including the loss or unauthorized disclosure of our sensitive information. A security breach or incident that leads to unauthorized acquisition, disclosure or other processing of our sensitive information could also affect our intellectual property rights and enable competitors to compete with us more effectively.

Likewise, as we work with third parties such as CROs, CDMOs, contractors and consultants, including for the manufacture of our product candidates and for the conduct of our clinical trials, similar events relating to their systems and operations could also have a material adverse effect on our business and lead to potential regulatory agency actions. Our ability to monitor these third parties' information security practices is limited, and these third parties may not have adequate information security measures in place. For example, the loss of clinical trial data from completed, ongoing or future clinical trials could result in delays in or denials of our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. Any security compromise affecting us, our collaborators or our industry, whether real or perceived, could harm our reputation, erode confidence in the effectiveness of our security measures, and lead to regulatory scrutiny. To the extent that any disruption or security breach were to result in a loss of, or damage to, our sensitive information or systems, or inappropriate disclosure of sensitive information, we could incur liability, our competitive position could be harmed, and the further development and commercialization of our product candidates could be delayed, result in

substantial costs and distract management. While we may be entitled to damages if the third parties with whom we work fail to satisfy their data privacy or security-related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award. In addition, supply-chain attacks have increased in frequency and severity, and we cannot guarantee that third parties' infrastructure in our supply chain or that of the third parties with whom we work have not been compromised.

We may expend significant resources or modify our business activities (including our clinical trial activities) to try to protect against security incidents. Certain data privacy and security obligations have required us to implement and maintain specific security measures or industry-standard or reasonable security measures to protect our information technology systems and sensitive information.

Applicable data privacy and security obligations may require us, or we may voluntarily choose, to notify relevant stakeholders, including affected individuals, customers, regulators, and investors, of security incidents, or to take other actions. Such disclosures and related actions can be costly, and the disclosure or the failure to comply with such applicable requirements could lead to adverse consequences.

If we (or a third party with whom we work) experience failures, disruptions, security breaches and incidents, cyber-attacks we may experience material adverse consequences, such as government, enforcement measures, regulatory agency investigations, proceedings and other actions, penalties, fines, indemnification obligations, litigation (including class claims), negative publicity, monetary fund diversions, diversion of management attention, interruptions in our operations (including availability of data), financial loss, potential civil or criminal liability, collaborators' loss of confidence, damage to our reputation and other consequences, which could materially adversely affect our business and results of operations.

Our contracts may not afford us limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. Relatedly, our contracts with third parties with whom we work may limit the types and/or amounts of damages that we can recover from those third parties, even where the third party is responsible for a privacy or cybersecurity incident or violation. While we maintain insurance coverage for certain expenses and liabilities related to failures or breaches of our information technology systems, it may not be adequate or sufficient to cover all losses associated with such events. In addition, such insurance may not be available to us in the future on commercially reasonable terms or at all. Furthermore, if the information technology systems of third parties with whom we work become subject to disruptions or security breaches or incidents, we may have insufficient recourse against them.

In addition to experiencing a security incident, third parties may gather, collect, or infer sensitive information about us from public sources, data brokers, or other means that reveals competitively sensitive details about our organization and could be used to undermine our competitive advantage or market position. Additionally, sensitive information of ours, our customers, or clinical trial participants could be leaked, disclosed, or revealed as a result of or in connection with our employees', personnel's, or vendors' use of generative AI technologies.

Issues relating to our current and planned use of AI in the identification of our programs and the engineering and development of our product candidates could adversely affect our business and operating results.

We currently incorporate certain AI solutions, among other technologies and capabilities, into our City Platform in a limited capacity, and we plan to expand our use of AI in our research and development activities in the future. There are risks involved in utilizing AI, including that AI-generated content, analyses, or recommendations we utilize could be deficient, that our competitors may more quickly or effectively adopt AI capabilities, or that our use of AI or other emerging technologies increases regulatory, cybersecurity and other significant risks. If any AI systems we use or develop fail to achieve their intended purposes — such as assisting in the identification of viable product candidates or targets, predicting biological outcomes, or producing reproducible results — our product development efforts

may be delayed or unsuccessful. If we are unable to successfully integrate and manage AI within our business as we expand our use of such technologies, or if AI fails to deliver the expected benefits, our ability to develop our programs and product candidates could be materially adversely affected.

Issues relating to the use of new and evolving technologies such as AI may cause us to experience brand or reputational harm, competitive harm, legal liability and new or enhanced governmental or regulatory scrutiny, and we may incur additional costs to resolve such issues. Known risks of AI generally include inaccuracy, hallucinations, bias, intellectual property infringement or misappropriation, data privacy and cybersecurity issues and data provenance disputes. Perceived or actual technical, legal, compliance, privacy, security, ethical or other issues relating to the use of AI in biopharmaceutical development may cause public confidence in AI to be undermined, which could slow market acceptance of product candidates discovered or developed with the assistance of AI. In addition, litigation or government regulation related to the use of AI may adversely impact our ability to identify programs and engineer and develop product candidates using AI, as well as increase the cost and complexity of doing so. For example, regulators may limit our ability to develop or implement AI models and algorithms and/or may eliminate or restrict the confidentiality of our proprietary technology, or may limit our ability to secure intellectual property rights to technologies created with the assistance of AI, which could have an adverse effect on our business, results of operations and financial condition.

We also face competition from other companies that use AI and related methods for drug engineering and development, some of which have more resources than we do and may have developed more effective methods than we and any third-party collaborators have, which may reduce our and any third-party collaborators' effectiveness in identifying potential product candidates and attracting additional collaborators to work with us. In particular, biotechnology companies based in China present both known and emerging competitive threats to our business. Many of these companies operate within innovation ecosystems characterized by substantial government investment, access to large and rapidly expanding biological and clinical datasets, and accelerated regulatory or funding pathways. These factors may allow Chinese biotechnology companies to develop, train and deploy advanced computational models, drug discovery platforms or biologic design technologies more rapidly or at lower cost than we can. If our competitors are able to utilize new technologies more effectively (including but not limited to those that may involve AI or be created using AI) to discover, develop and commercialize products that compete with any of our programs and product candidates, such technologies could adversely impact our ability to compete.

Further, AI may have or produce errors or inadequacies that are not easily detectable. The quality of AI outputs depends heavily on the quality and quantity of input data. If the data used to train AI or the content, analyses or recommendations that AI applications assist in producing are or are alleged to be deficient, inaccurate, incomplete, hallucinatory, overbroad or biased, our business, financial condition and results of operations may be adversely affected. Developing, testing and deploying AI systems may also increase the cost profile of our operations due to the nature of the computing costs involved in such systems, which could adversely affect our business and operating results.

The legal landscape and legal protection for the use of AI remains uncertain, and the use of AI in drug discovery and development introduces evolving risks related to ownership, inventorship and protection of intellectual property generated by or with the assistance of AI technologies. For example, generative AI may be used improperly or inappropriately, which could lead to the tainting of our proprietary information and render us unable to qualify for certain patent or trade secret protection. Moreover, if our vendors, employees, suppliers or contractors with access to our proprietary and confidential information and know-how were to disclose such information as inputs to third-party AI tools, this could lead to loss of trade secret protection and otherwise impact our ability to realize the benefit of our intellectual property. If we do not have sufficient rights to collect or use the data on which any AI we utilize relies or to the outputs produced by our City Platform, we may incur liability through the alleged violation of certain laws, third-party privacy rights, online terms of service or other contracts to which we or our data providers are a party. In addition, we rely on third-party software and hardware for our City Platform. If the relevant software or hardware, or updates to such software or hardware, were to become unavailable to us in the future on reasonable commercial terms, or if they became the subject of allegations of intellectual property infringement, our ability to continue to use our City Platform could be

affected. Regulatory and legal frameworks governing inventions created with or using AI are still developing and may create uncertainty regarding our ability to secure and enforce rights in such inventions.

AI presents risks and challenges that can impact our business including regulatory, compliance, reputational, and competitive risks arising from our use of AI tools and evolving legal requirements.

Issues in the development and use of AI, combined with an uncertain regulatory environment, may result in reputational harm, liability or other adverse consequences to our business operations. As with many technological innovations, AI presents risks and challenges that could impact our business. As part of our City Platform, we use proprietary AI/ML molecular-design capabilities to support the discovery, design and engineering of RNAi trigger molecules and product candidates, and we may continue to expand our use of AI/ML and other computational tools in our research and development activities. Our vendors may also incorporate AI technologies into their products and services, including without specifically identifying the use of such technologies to us, and the providers of these AI technologies may not meet existing or evolving regulatory or industry standards with respect to data privacy, security or other legal requirements.

A growing number of federal, state, and international legislators, agencies and regulators are adopting laws and regulations and have focused enforcement efforts on the adoption of AI, and use of such technologies in compliance with ethical standards and societal expectations. These developments may increase our compliance burden and costs in connection with use of AI and lead to legal liability if we fail to meet evolving legal standards or if use of such technologies results in harms or other causes of action we did not predict. For example, the EU's Artificial Intelligence Act ("AI Act") may apply to us. This legislation imposes significant obligations on providers and deployers of AI systems and encourages providers and deployers of artificial intelligence systems to account for EU ethical principles in their development and use of these systems. In addition, various federal regulators have issued guidance and focused enforcement efforts on the use of AI in regulated sectors. The FDA, for example, issued draft guidance on the use of AI in regulatory decision-making for drug and biological products, which centers on the context of use while establishing a credibility assessment framework for establishing and evaluating AI model outputs intended to support regulatory decision-making. If we develop or use AI systems governed by these laws or regulations, including as informed by regulatory guidance, we would need to meet higher standards of data quality, transparency, monitoring and human oversight, and we would need to adhere to specific and potentially burdensome and costly ethical, accountability and administrative requirements, with the potential for significant enforcement or litigation in the event of any perceived non-compliance. We expect other jurisdictions will adopt similar laws. Uncertainty in the legal regulatory regime may require significant resources to modify and maintain business practices to comply with United States and non-United States laws, the nature of which cannot be determined at this time. Non-compliance or perceived non-compliance may lead to significant fines or significant restrictions on our ability to conduct our business activities.

We, and the third parties with whom we work are subject to a variety of stringent and evolving United States and foreign laws, regulations and rules, contractual obligations, industry standards, policies and other obligations related to data privacy and security. Any actual or perceived failure to comply with such obligations could expose us to regulatory investigations or actions, litigation (including class claims) and mass arbitration demands, significant fines or other penalties, disruptions of our business operations, reputational harm, loss of revenue or profits, loss of customers or sales, and other adverse business consequences.

In the ordinary course of our business, we and the third parties with whom we work process sensitive information. Our data processing activities subject us to numerous, evolving data privacy and security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy and security policies, contractual requirements and other obligations relating to data privacy and security.

The legislative and regulatory framework for the processing of sensitive information worldwide is rapidly evolving in a manner that is increasingly stringent and, globally, this legal and regulatory framework is likely to remain uncertain for the foreseeable future.

In the United States, numerous federal, state and local laws and regulations, including federal health information privacy laws, state information security and data breach notification laws, federal consumer protection laws (*e.g.*, Section 5 of the Federal Trade Commission Act), state consumer protection and privacy laws and other similar laws (*e.g.*, wiretapping and communications interception laws) govern the processing of health-related and other sensitive information. For example, HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, imposes specific requirements relating to the privacy, security, and transmission of individually identifiable protected health information. At the state level, numerous U.S. states have enacted comprehensive privacy laws that impose certain obligations on covered businesses, including providing specific disclosures in privacy notices and affording individuals certain rights concerning their personal data. Similar laws are being considered in several other states, as well as at the federal and local levels, and we expect more states to pass similar laws in the future. While existing state comprehensive privacy laws exempt some data processed in the context of clinical trials, these developments may further complicate compliance efforts and increase legal risk and compliance costs for us and the third parties with whom we work.

Regulators and legislators in the United States are increasingly scrutinizing and restricting certain personal data transfers and transactions involving foreign countries. For example, the United States Department of Justice issued a rule entitled the Preventing Access to United States Sensitive Personal Data and Government-Related Data by Countries of Concern or Covered Persons, which places additional restriction on certain data transactions involving (e.g., China, Russia, Iran) and covered persons (e.g., individuals who are designated as such by the United States Attorney General or considered "foreign persona" and are majority owned by, organized under the laws of, a primary resident in, or a contractor of, a covered person or country of concern, as applicable) that may impact certain business activities such as vendor engagements, sale or sharing of data, employment of certain individuals, and investor agreements. Violations of the rule could lead to significant civil and criminal fines and penalties. The rule does not exempt key-coded or otherwise anonymized, pseudonymized, de-identified or encrypted data, which presents particular challenges for companies like ours and may impact our ability to engage in transactions or agreements with certain third parties in the future.

Outside the United States, an increasing number of laws, regulations and industry standards may govern data privacy and security. For example, the European Union's General Data Protection Regulation ("EU GDPR"), the United Kingdom's General Data Protection Regulation ("UK GDPR" and, together with the EU GDPR, "GDPR") impose strict requirements for processing personal data including relating to processing of sensitive information (such as health data). Under GDPR, companies may face temporary or definitive bans on data processing and other corrective activities, fines of up to €20 million under the EU GDPR (£17.5 million GBP under the UK GDPR) or, in each case, 4% of annual global revenues, whichever is greater, and private litigation related to processing of personal data brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests.

Our employees and personnel use generative AI and/or automated decision-making technologies to perform their work, and the disclosure and use of personal data in AI technologies is subject to various privacy laws and other privacy obligations. Governments have passed and are likely to pass additional laws and regulations regulating AI and/or automated decision-making technologies. Our use of this technology could result in additional compliance costs, regulatory investigations and actions, and lawsuits. If we are unable to use AI and/or automated decision-making technologies, it could make our business less efficient and result in competitive disadvantages.

In the ordinary course of business, we transfer personal data from Europe and other jurisdictions to the United States or other countries. However, we may be unable to transfer personal data from Europe and other jurisdictions to the United States or other countries due to data localization requirements or limitations on cross-border data flows. Europe and other jurisdictions have enacted laws requiring data to be localized or limiting the transfer of personal data to other countries. In particular, the European Economic Area ("EEA") and the UK have significantly restricted the transfer of personal data to the United States and other countries. Other jurisdictions may adopt similarly stringent interpretations of their data localization and cross-border data transfer laws. Although there are currently various mechanisms

that may be used to transfer personal data from the EEA and UK to the United States in compliance with law, such as the EEA's standard contractual clauses, the UK's International Data Transfer Agreement / Addendum and the EU-United States Data Privacy Framework ("Framework") and the UK extension thereto (which allows for transfers to relevant United States-based organizations who self-certify compliance and participate in the Framework), these mechanisms are subject to legal challenges, and there is no assurance that we can satisfy or rely on these measures to lawfully transfer personal data to the United States. If there is no lawful manner for us to transfer personal data from the EEA, the UK or other jurisdictions to the United States (or other countries), or if the requirements for a legally-compliant transfer are too onerous, we could face significant adverse consequences, including the interruption or degradation of our operations, the need to relocate part of or all of our business or data processing activities to other jurisdictions (such as Europe) at significant expense, increased exposure to regulatory actions, substantial fines and penalties, the inability to transfer data and work with partners, vendors and other third parties and injunctions against our processing or transferring of personal data necessary to operate our business. Additionally, companies that transfer personal data out of the EEA and UK to other jurisdictions, particularly to the United States, are subject to increased scrutiny from regulators, individual litigants and activities activist groups. Some European regulators have ordered certain companies to suspend or permanently cease certain transfers of personal data out of Europe for allegedly violating the GDPR's cross-border data transfer limitations.

Additionally in the EEA, the NIS 2 Directive ("NIS 2") regulates resilience and incident response capabilities of entities operating in a number of sectors, including the health sector. To the extent we are subject to NIS 2, we will require additional investment of our resources in compliance programs. Under NIS 2 companies may be subject to administrative fines of up to the higher amount of €10 million or 2% of worldwide turnover.

In addition to data privacy and security laws, we are contractually subject to industry standards adopted by industry groups and may become subject to such obligations in the future. We are also bound by other contractual obligations related to data privacy and security, and our efforts to comply with such obligations may not be successful. We publish privacy policies and other statements, such as compliance with certain certifications or self-regulatory principles, regarding data privacy and security. If these policies, materials or statements are found to be deficient, lacking in transparency, deceptive, unfair or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators or other adverse consequences.

Obligations related to data privacy and security are quickly changing, becoming increasingly stringent, and creating uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with these obligations requires us to devote significant resources and may necessitate changes to our services, information technologies, systems and practices and to those of any third parties with whom we work.

We may at times fail (or be perceived to have failed) in our efforts to comply with our data privacy and security obligations. Moreover, despite our efforts, our personnel or third parties with whom we work, including CROs supporting our clinical trials, clinical trial sites with whom we have contracted and other third parties supporting our clinical trials, may fail to comply with such obligations, which could negatively impact our business operations. If we or the third parties with whom we work fail, or are perceived to have failed, to address or comply with applicable data privacy and security obligations, we could face significant consequences, including but not limited to: government enforcement actions (*e.g.*, investigations, fines, penalties, audits, inspections and similar); litigation (including class-action claims), and mass arbitration demands; additional reporting requirements and/or oversight; bans on processing personal data; and orders to destroy or not use personal data. In particular, plaintiffs have become increasingly more active in bringing privacy-related claims against companies, including class claims and mass arbitration demands. Some of these claims allow for the recovery of statutory damages on a per violation basis, and, if viable, carry the potential for significant statutory damages, depending on the volume of data and the number of violations. Any of these events could have a material adverse effect on our reputation, business, financial condition, results of operations and prospects, including but not limited to: loss of customers; interruptions or stoppages in our business operations

(including, as relevant, clinical trials); inability to process personal data or to operate in certain jurisdictions; limited ability to develop or commercialize our products; expenditure of time and resources to defend any claim or inquiry; adverse publicity; or substantial changes to our business model or operations.

Our business could be affected by litigation, government investigations and enforcement actions.

We currently operate and plan to operate in a highly regulated industry and we could now or in the future be subject to litigation, government investigation and enforcement actions on a variety of matters in the United States or foreign jurisdictions, including, without limitation, intellectual property, regulatory, product liability, environmental, whistleblower, false claims, privacy, anti-kickback, anti-bribery, securities, commercial, employment and other allegations and legal proceedings which may arise from conducting our business. Any determination that our operations or activities are not in compliance with existing laws or regulations could result in the imposition of fines, civil and criminal penalties, equitable remedies, including disgorgement, injunctive relief and/or other sanctions against us, and remediation of any such findings could have an adverse effect on our business operations.

Legal proceedings, government investigations and enforcement actions can be expensive and time-consuming. An adverse outcome resulting from any such proceedings, investigations or enforcement actions could result in significant damages awards, fines, penalties, exclusion from the federal healthcare programs, healthcare debarment, injunctive relief, product recalls, reputational damage and modifications of our business practices, which could have a material adverse effect on our business and results of operations. Even if such a proceeding, investigation or enforcement action is ultimately decided in our favor, the investigation and defense thereof could require substantial financial and management resources and cause reputational harm.

Employee litigation and unfavorable publicity could negatively affect our future business.

Our employees may, from time to time, bring lawsuits against us regarding injury, creating a hostile workplace, discrimination, wage and hour disputes, sexual harassment or other employment issues. In recent years, there has been an increase in the number of discrimination and harassment allegations generally. Coupled with the expansion of social media platforms and similar devices that allow individuals access to a broad audience, these allegations have had a significant negative impact on some businesses. Certain companies that have faced employment- or harassment-related lawsuits have had to terminate management or other key personnel and have suffered reputational harm that has negatively impacted their business. If we were to face any employment-related allegations, our business could be negatively affected.

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

Our results of operations could be adversely affected by general conditions in the global economy and financial markets. The global economy and financial markets have experienced extreme volatility and disruptions, including severely diminished liquidity and credit availability, declines in consumer confidence, rising inflation, uncertainty from changes in tariff policies, fluctuating interest rates, declines in economic growth, global supply chain disruptions and uncertainty about economic stability. The global economy and financial markets may also be adversely affected by the current or anticipated impact of military conflict, terrorism or other geopolitical events, including the ongoing war in Ukraine, the Israel-Gaza conflict and the increasingly strained relationship between the United States and China. Sanctions imposed by the United States and other countries in response to such conflicts may adversely impact the financial markets and the global economy, and the economic countermeasures by the affected countries or others could exacerbate market and economic instability.

There can be no assurance that further deterioration in credit and financial markets and confidence in economic conditions will not occur. A severe or prolonged economic downturn could result in a variety of risks to our business, including weakened demand for any product candidates or products we may develop and our ability to raise additional capital when needed on acceptable terms, if at all. A weak or

declining economy could also strain our suppliers, possibly resulting in supply disruption. If the equity and credit markets deteriorate, it may make any necessary equity or debt financing more difficult, more costly and more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could impair our ability to achieve our growth strategy, could harm our financial performance and stock price and could require us to delay or abandon clinical development plans. In addition, there is a risk that our current or future service providers, CDMOs or other collaborators may not survive such difficult economic times, which could directly affect our ability to attain our operating goals on schedule and on budget. We cannot anticipate all of the ways in which the current economic climate and financial market conditions could adversely impact our business.

A decline in the federal budget, changes in spending or budgetary priorities of the United States government, a prolonged United States government shutdown or delays in contract awards may significantly and adversely affect our future revenues, cash flow and financial results.

In recent years, United States government appropriations have been affected by larger United States government budgetary issues and related legislation. As a result, the Department of Defense funding levels have fluctuated and have been difficult to predict. Future spending levels are subject to a wide range of factors, including Congressional action. In addition, in the past, United States debt ceiling and budget deficit concerns have increased the possibility of additional credit-rating downgrades and economic slowdowns, or a recession in the United States. Although United States lawmakers passed legislation to raise the federal debt ceiling on multiple occasions, ratings agencies have lowered or threatened to lower the long-term sovereign credit rating on the United States The impact of this or any further downgrades to the United States government's sovereign credit rating or its perceived creditworthiness could adversely affect the United States and global financial markets and economic conditions.

As a result, government spending levels are difficult to predict beyond the near term due to numerous factors, including the external threat environment, future government priorities and the state of government finances. Significant changes in government spending or changes in United States government priorities, policies and requirements could have a material adverse effect on our results of operations, financial condition or liquidity.

Adverse developments affecting the financial services industry, such as actual events or concerns involving liquidity, defaults, or non-performance by financial institutions or transactional counterparties, could adversely affect our current and projected business operations and our financial condition and results of operations.

Actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems.

Although we assess our banking and customer relationships as we believe necessary or appropriate, our access to funding sources and other credit arrangements in amounts adequate to finance or capitalize our current and projected future business operations could be significantly impaired by factors that affect our Company, the financial institutions with which we have credit agreements or arrangements directly, or the financial services industry or economy in general. These factors could include, among others, events such as liquidity constraints or failures, the ability to perform obligations under various types of financial, credit or liquidity agreements or arrangements, disruptions or instability in the financial services industry or financial markets, or concerns or negative expectations about the prospects for companies in the financial services industry.

The results of events or concerns that involve one or more of these factors could include a variety of material and adverse impacts on our current and projected business operations and our financial condition and results of operations. These could include, but may not be limited to, the following:

- delayed access to deposits or other financial assets or the uninsured loss of deposits or other financial assets;

- potential or actual breach of statutory, regulatory or contractual obligations, including obligations that require us to maintain letters of credit or other credit support arrangements; and
- termination of cash management arrangements and/or delays in accessing or actual loss of funds subject to cash management arrangements.

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

In addition, any further deterioration in the macroeconomic economy or financial services industry could lead to losses or defaults by our suppliers, which in turn, could have a material adverse effect on our current and/or planned business operations and our current or projected results of operations and financial condition. For example, a customer may fail to make payments when due, default under their agreements with us, become insolvent or declare bankruptcy, or a supplier may determine that it will no longer deal with us as a customer. In addition, a customer or supplier could be adversely affected by any of the liquidity or other risks that are described above as factors that could result in material adverse impacts on the Company, including but not limited to delayed access or loss of access to uninsured deposits or loss of the ability to draw on existing credit facilities involving a troubled or failed financial institution. Any customer, collaborator or supplier bankruptcy or insolvency, or the failure of any customer or collaborator to make payments when due, or any breach or default by a customer, collaborator or supplier, or the loss of any significant supplier or collaborator relationships, could result in material losses to the Company and may have a material adverse impact on our business.

The increasing use of social media platforms presents risks and challenges.

We and our employees are increasingly utilizing social media tools as a means of communication both internally and externally. Despite our efforts to monitor evolving social media communication guidelines and comply with applicable rules, there is risk that the use of social media by us or our employees to communicate about our product candidates, operations, or business may cause us to be found in violation of applicable legal or contractual requirements. In addition, our employees may knowingly or inadvertently make use of social media in ways that may not comply with our social media policy or other legal or contractual requirements, which may give rise to liability, lead to the loss of trade secrets or other intellectual property, or result in public exposure of personal information of our employees, clinical trial patients, collaboration partners, and others, and which could have an adverse effect on our business, financial conditions and results of operations. Furthermore, negative posts or comments about us or our product candidates in social media could seriously damage our reputation, brand image and goodwill.

In addition, it is possible for individuals or groups to target companies with disruptive social media campaigns related to a request for access to unapproved drugs for patients with significant unmet medical need. If we experience a similar social media campaign regarding our decision to provide or not provide access to our product candidates under an expanded access policy, our reputation may be negatively affected and our business may be harmed.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, including the sections entitled "*Prospectus Summary*," "*Risk Factors*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," and "*Business*," contains express or implied forward-looking statements that are based on our management's belief and assumptions and on information currently available to our management. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements relate to future events or our future operational or financial performance, and involve known and unknown risks, uncertainties, and other 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 these forward-looking statements. Forward-looking statements in this prospectus include, but are not limited to, statements about:

- advance our product candidates through preclinical and clinical development, including continuing the Phase 1 clinical trial for CITY-FXI and advancing other programs through preclinical and clinical development;
- the initiation, timing, progress and results of our research and development programs, preclinical studies and clinical trials for our current or future product candidates and effectiveness of our City Platform;
- the ability of clinical trials to demonstrate safety and efficacy of our product candidates, and other positive results, and the ability of our preclinical studies and earlier clinical trials to predict later clinical trial results;
- the timing, scope and likelihood of regulatory filings and approvals of our product candidates;
- the implementation of our business model, and strategic plans for our business, programs, and current and future product candidates;
- our ability to obtain additional cash and the sufficiency of our existing cash and cash equivalents to fund our future operating expenses and capital expenditure requirements;
- the accuracy of our estimates regarding expenses, future revenue, capital requirements and needs for additional financing;
- the size and growth potential of the markets for our product candidates, and our ability to serve those markets;
- our potential and ability to successfully manufacture and supply our current and future product candidates for clinical trials and for commercial use, if approved;
- our ability to leverage programs within our initial target indications and to progress additional programs to further develop our pipeline;
- the scope of protection we are able to establish and maintain for intellectual property rights covering our product candidates;
- developments relating to our competitors and our industry, including competing product candidates and RNAi therapeutics;
- developments related to our proprietary City Platform;
- existing regulations and regulatory developments in the United States and other jurisdictions;
- our ability to obtain funding for our operations necessary to complete further development and commercialization of our product candidates;
- expectations regarding future events under collaboration and licensing agreements, including potential future payments, as well as our plans and strategies for entering into further collaboration and licensing agreements;
- general economic, industry and market conditions, including fluctuating interest rates and inflationary pressures;

- our ability to attract and retain key scientific and management personnel;
- our expectations regarding the period during which we will qualify as an emerging growth company under the JOBS Act; and
- our anticipated use of our existing cash and cash equivalents and the proceeds from this offering.

In some cases, forward-looking statements can be identified by terminology such as “may,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “continue,” or the negative of these terms or other comparable terminology. These statements are only predictions. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond our control and which could materially affect results. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under the section entitled “*Risk Factors*” and elsewhere in this prospectus. If one or more of these risks or uncertainties occur, or if our underlying assumptions prove to be incorrect, actual events or results may vary significantly from those implied or projected by the forward-looking statements. No forward-looking statement is a guarantee of future performance. You should read this prospectus and the documents that we reference in this prospectus and have filed with the SEC as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from any future results expressed or implied by these forward-looking statements.

The forward-looking statements in this prospectus represent our views as of the date of this prospectus. We anticipate that subsequent events and developments will cause our views to change. In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this prospectus, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain, and you are cautioned not to unduly rely upon these statements.

Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein until after we distribute this prospectus, whether as a result of any new information, future events or otherwise. You should therefore not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this prospectus.

This prospectus includes statistical and other industry and market data that we obtained from industry publications and research, surveys and studies conducted by third parties. Industry publications and third-party research, surveys and studies generally indicate that their information has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. We are responsible for all of the disclosure contained in this prospectus, and we believe that these sources are reliable; however, we have not independently verified the information contained in such publications.

USE OF PROCEEDS

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

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase (decrease) our net proceeds from this offering by $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. A 1.0 million share increase (decrease) in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase (decrease) our net proceeds from this offering by $ million, assuming no change in the assumed initial public offering price per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. The information discussed above is illustrative only and will adjust based on the actual initial public offering price and other terms of this offering determined at pricing.

The principal purposes of this offering are to create a public market for our common stock and thereby facilitate future access to the public equity markets, increase our visibility in the marketplace and obtain additional capital. We currently intend to use the net proceeds from this offering, together with our existing cash and cash equivalents, as follows:

- approximately $ million to fund the clinical development of CITY-FXI, including our ongoing Phase 1 clinical trial and the initiation of a Phase 2 TKA study;
- approximately $ million to fund the clinical development of CITY-RBP4, including our Phase 1 clinical trial and preparations for later-stage clinical development for the treatment of Stargardt disease and GA;
- approximately $ million to fund the clinical development of CITY-TFR2, including an IIT in China and the Phase 1/2 clinical trial, both focused on the treatment of anemia associated with myelofibrosis;
- approximately $ million to advance our City Platform, including continued investment to advance cityRNA triggers (CITY-O02 and CITY-C02) to the pipeline, as well as additional preclinical product candidates toward IND or IND-equivalent submission and clinical development; and
- the remainder for working capital and other general corporate purposes.

We believe, based on our current operating plan, that the net proceeds from this offering, together with our existing cash and cash equivalents, will be sufficient to fund our operations into . We have based this estimate on our current assumptions, which may prove to be wrong, and we may exhaust our available capital resources sooner than we expect.

Our expected use of the net proceeds from this offering represents our intentions based on our current plans and business conditions. As of the date of this prospectus, we cannot predict with certainty all of the particular uses for the net proceeds to be received upon the completion of this offering or the amounts that we will actually spend on the uses set forth above. We expect that we will require additional capital in order to fund the development of our product candidates beyond the specific activities described above, and we will require substantial additional capital to complete later stages of clinical development of, obtain regulatory approval for, and commercialize any of our product candidates. We may also use a portion of the net proceeds to in-license, acquire or invest in complementary businesses or technologies to continue to build our pipeline, research and development capabilities and our

intellectual property position, although we currently have no agreements, commitments or understandings with respect to any such transaction.

Due to the many inherent uncertainties in the development of our programs and product candidates, the amounts and timing of our actual expenditures may vary significantly depending on numerous factors, including the progress of our research and development, timing of patient enrollment and evolving regulatory requirements, the timing and success of preclinical studies, our ongoing or future clinical trials, the timing of regulatory submissions, any strategic alliances that we may enter into with third parties or strategic opportunities that become available to us, and other factors described in "*Risk Factors*" in this prospectus, as well as the amount of cash used in our operations and any unforeseen cash needs.

Our management will retain broad discretion in the application of the net proceeds we receive from our initial public offering, and investors will be relying on the judgment of our management regarding the application of the net proceeds. Pending our use of the net proceeds from this offering, we intend to invest the net proceeds in a variety of capital preservation instruments, including short-term and long-term interest-bearing instruments, investment-grade securities, and direct or guaranteed obligations of the United States government. We cannot predict whether the proceeds invested will yield a favorable return.

DIVIDEND POLICY

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all available funds and any future earnings to fund the growth and development of our business. We do not intend to declare or pay cash dividends to our stockholders in the foreseeable future. Any future determination to declare dividends will be made at the discretion of our board of directors and will depend on our financial condition, operating results, capital requirements, general business conditions, and other factors that our board of directors may deem relevant.

In addition, our ability to pay cash dividends on our capital stock in the future may be limited by the terms of any future debt or preferred securities we issue or any credit facilities we enter into.

CAPITALIZATION

The following table sets forth our cash, cash equivalents, and restricted cash and total capitalization as of June 30, 2026:

- on an actual basis;
- on a pro forma basis, giving effect to (i) the automatic conversion of all outstanding shares of convertible preferred stock into an aggregate of 26,266,656 shares of common stock immediately prior to the completion of this offering, (ii) the automatic conversion of the outstanding principal and accrued interest under the Biogen Note into an aggregate of shares of our common stock immediately prior to the completion of this offering, at a conversion price equal to 85% of the assumed initial public offering price of $ per share, the midpoint of the estimated offering price range listed on the cover page of this prospectus, and (iii) the filing and effectiveness of our amended and restated certificate of incorporation, which will occur immediately prior to the completion of this offering; and
- on a pro forma as adjusted basis, giving effect to (i) the pro forma adjustments set forth above and (ii) the issuance and sale of shares of common stock in this offering at the assumed initial public offering price of $ per share, the midpoint of the estimated offering price range listed on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

The pro forma as adjusted information below is illustrative only, and our capitalization following the completion of this offering will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing.

The following table should be read together with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," "*Description of Capital Stock*," and the consolidated financial statements and related notes appearing elsewhere in this prospectus.

	As of June 30, 2026		
(in thousands, except share and per share data)	Actual	Pro Forma	Pro Forma As Adjusted[1]
Cash, cash equivalents, and restricted cash	$ 172,109	$	$
Convertible notes, net (including current portion)	$ 33,089	$	$
Convertible preferred stock (Series Seed, A, B, and B-1), par value $0.0001 per share; 26,266,656 shares authorized, issued, and outstanding, actual; no shares authorized, issued, and outstanding, pro forma and pro forma as adjusted	$ 256,056	$	$
Stockholders' deficit:			
Preferred stock, par value $0.0001 per share; no shares authorized, issued, and outstanding, actual; 10,000,000 shares authorized, no shares issued or outstanding, pro forma and pro forma as adjusted	—		
Common stock, par value $0.0001 per share; 42,350,000 shares authorized, 8,765,998 shares issued and 6,977,392 shares outstanding, actual; 500,000,000 shares authorized, shares issued and outstanding, pro forma; shares authorized, shares issued and outstanding, pro forma as adjusted	—		
Additional paid-in capital	10,830		
Accumulated deficit	$(142,547)		
Total stockholders' deficit	$(131,717)		
Total capitalization	$ 157,428	$	$

(1) Each $1.00 increase or decrease, as applicable, in the assumed initial public offering price of $ per share, the midpoint of the estimated offering price range listed on the cover page of this prospectus for this offering, would increase or decrease, as applicable, the pro forma as adjusted amount of each of cash, cash equivalents, and restricted cash, additional paid-in capital, total stockholders' deficit and total capitalization by $ million, assuming that the number of shares offered by us in this offering remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease, as applicable, of 1.0 million shares in the number of shares of common stock offered by us at the assumed initial public offering price per share, the midpoint of the estimated offering price range listed on the cover page of this prospectus in this offering, would increase or decrease, as applicable, the pro forma as adjusted amount of each of cash, cash equivalents, and restricted cash, additional paid-in capital, total stockholders' deficit and total capitalization by $ million, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

The number of shares of common stock that will be outstanding after this offering on a pro forma and pro forma as adjusted basis is based on shares of common stock (which includes 1,788,606 shares of restricted common stock subject to repurchase or forfeiture) outstanding as of June 30, 2026 after giving effect to the automatic conversion of all outstanding shares of our convertible preferred stock and the Biogen Note into an aggregate of shares of our common stock immediately prior to the completion of this offering, and excludes:

- 4,920,950 shares of common stock issuable upon exercise of outstanding stock options as of June 30, 2026 under our 2023 Plan, with a weighted-average exercise price of $2.16 per share;
- 900,000 shares of common stock issuable upon exercise of outstanding stock options granted after June 30, 2026 under our 2023 Plan, with a weighted-average exercise price of $9.48 per share;
- 1,349,944 shares of common stock reserved for future issuance as of June 30, 2026 under our 2023 Plan, which will cease to be available for issuance at the time that our 2026 Plan becomes effective;
- shares of our common stock reserved for future issuance under our 2026 Plan, which will become effective on the date immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, as well as any automatic increases in the number of shares of common stock reserved for future issuance under the 2026 Plan and any shares underlying outstanding stock awards granted under our 2023 Plan that expire or are repurchased, forfeited, cancelled or withheld; and
- shares of common stock reserved for future issuance under our ESPP, which will become effective on the date immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, as well as any automatic increases in the number of shares of common stock reserved for future issuance under the ESPP.

DILUTION

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

Our historical net tangible book deficit as of June 30, 2026 was a deficit of $132.6 million, or $19.01 per share of our common stock. Our historical net tangible book deficit represents the amount of our total tangible assets (net of deferred offering costs) less our total liabilities and convertible preferred stock. Historical net tangible book deficit per share represents historical net tangible book deficit divided by the number of shares of our common stock outstanding as of June 30, 2026 (which excludes 1,788,606 shares of restricted common stock subject to repurchase or forfeiture).

Our pro forma net tangible book value as of June 30, 2026 was $ million, or $ per share. Pro forma net tangible book value per share represents the amount of our total tangible assets (net of deferred offering costs) less our total liabilities, divided by the number of shares of our common stock outstanding as of June 30, 2026, after giving effect to (i) the automatic conversion of all outstanding shares of convertible preferred stock into an aggregate of 26,266,656 shares of our common stock immediately prior to the completion of this offering and (ii) the automatic conversion of the outstanding principal and accrued interest under the Biogen Note into an aggregate of shares of our common stock immediately prior to the completion of this offering, at a conversion price equal to 85% of the assumed initial public offering price of $ per share, the midpoint of the estimated offering price range listed on the cover page of this prospectus.

After giving further effect to the sale of shares of common stock that we are offering at the assumed initial public offering price of $ per share, the midpoint of the estimated offering range set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of June 30, 2026 would have been $ million, or $ per share. This amount represents an immediate increase in pro forma as adjusted net tangible book value of $ per share to our existing stockholders and an immediate dilution in pro forma as adjusted net tangible book value of $ per share to new investors purchasing shares of common stock in this offering.

Dilution per share to new investors is determined by subtracting pro forma as adjusted net tangible book value per share after this offering from the initial public offering price per share paid by new investors. The following table illustrates this dilution (without giving effect to any exercise by the underwriters of their option to purchase additional shares):

Assumed initial public offering price per share		$
Historical net tangible book deficit per share as of June 30, 2026	$19.01	
Increase in net tangible book value per share attributable to the pro forma adjustment described above		
Pro forma net tangible book value per share as of June 30, 2026		
Increase in pro forma net tangible book value per share attributable to new investors participating in this offering		
Pro forma as adjusted net tangible book value per share after this offering		
Dilution per share to new investors participating in this offering		$

The dilution information discussed above is illustrative only and may change based on the actual initial public offering price and other terms of this offering. Each $1.00 increase or decrease, as applicable, in the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, the pro forma as adjusted net tangible book value per share after this offering by $, and dilution in pro forma net tangible book value per share to new investors by $, assuming that the number of shares of common stock offered by us, as set forth on the cover page of this

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

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

The following table summarizes on the pro forma as adjusted basis described above, as of June 30, 2026, the differences between the number of shares of common stock purchased from us by our existing stockholders and common stock by new investors purchasing shares in this offering, the total consideration paid to us in cash and the average price per share paid by existing stockholders for shares of common stock issued prior to this offering and the price to be paid by new investors for shares of common stock in this offering. The calculation below is based on the assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, before deducting underwriting discounts and commissions and estimated offering expenses payable by us.

	Shares Purchased		Total Consideration		Weighted-Average Price Per Share
	Number	Percentage	Amount	Percentage	
	(in thousands, except share, per share and percent data)				
Existing stockholders before this offering		%	$	%	$
New investors purchasing shares in this offering		%		%	$
Total		100.0%	$	100.0%	

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

Each $1.00 increase or decrease, as applicable, in the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, the total consideration paid by new investors by $ million and, in the case of an increase, would increase the percentage of total consideration paid by new investors to % and, in the case of a decrease, would decrease the percentage of total consideration paid by new investors to %, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same. Similarly, each increase or decrease, as applicable, of 1.0 million shares in the number of shares offered by us, would increase or decrease, as applicable, the total consideration paid by new investors by $ million and, in the case of an increase, would increase the percentage of total consideration paid by new investors to % and, in the case of a decrease, would decrease the percentage of total

consideration paid by new investors to %, assuming that the assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, remains the same.

The foregoing tables and calculations (other than the historical net tangible book deficit calculation) are based on shares of common stock (which excludes 1,788,606 shares of restricted common stock subject to repurchase or forfeiture) outstanding as of June 30, 2026, after giving effect to the automatic conversion of outstanding shares of our convertible preferred stock and the Biogen Note into shares of common stock immediately prior to the completion of this offering, and excludes:

- 4,920,950 shares of common stock issuable upon exercise of outstanding stock options as of June 30, 2026 under our 2023 Plan, with a weighted-average exercise price of $2.16 per share;
- 900,000 shares of common stock issuable upon exercise of outstanding stock options granted after June 30, 2026 under our 2023 Plan, with a weighted-average exercise price of $9.48 per share;
- 1,349,944 shares of common stock reserved for future issuance as of June 30, 2026 under our 2023 Plan, which will cease to be available for issuance at the time that our 2026 Plan becomes effective;
- shares of our common stock reserved for future issuance under our 2026 Plan, which will become effective on the date immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, as well as any automatic increases in the number of shares of common stock reserved for future issuance under the 2026 Plan and any shares underlying outstanding stock awards granted under our 2023 Plan that expire or are repurchased, forfeited, cancelled or withheld; and
- shares of common stock reserved for future issuance under our ESPP, which will become effective on the date immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, as well as any automatic increases in the number of shares of common stock reserved for future issuance under the ESPP.

To the extent that outstanding options are exercised, or we issue additional shares of common stock in the future, there will be further dilution to new investors. In addition, we may choose to raise additional capital because of market conditions or strategic considerations, even if we believe that we have sufficient funds for our current or future operating plans. If we raise additional capital through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our stockholders.

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

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our audited consolidated financial statements and unaudited condensed consolidated financial statements and related notes, as well as other financial information included elsewhere in this prospectus. This discussion and analysis and other parts of this prospectus contain forward-looking statements based upon our current plans and expectations that involve risks, uncertainties and assumptions, such as statements regarding our plans, strategies, objectives, expectations, intentions, and beliefs. Our actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this prospectus. You should carefully read the "Risk Factors" section of this prospectus to gain an understanding of the important factors that could cause actual results to differ materially from our forward-looking statements. Our historical results are not necessarily indicative of the results that may be expected for any period in the future. Please also see the section titled "Cautionary Note Regarding Forward-Looking Statements." Unless otherwise indicated, all references in this section to the "company," "we," "our," "us," or similar terms refer to City Therapeutics, Inc. and its wholly owned subsidiary.

Overview

We are a clinical-stage biotechnology company developing the next-generation of RNAi therapeutics designed to silence the expression of disease-relevant proteins, with the aim of delivering meaningful and durable benefits for patients in need. The City Platform is the engine behind every therapeutic we develop. Our City Platform is designed to integrate three core capabilities: RNAi trigger engineering, novel delivery conjugates designed to enable tissue selectivity, and target discovery and selection enabled by our insights into human genetics. Critical to every RNAi medicine is the trigger that harnesses the cellular RNAi machinery to silence a disease-relevant gene. Our most advanced product candidate, CITY-FXI, is a City-engineered GalNAc-conjugated siRNA therapeutic targeting FXI for the prevention and treatment of thrombosis. CITY-FXI is currently in a Phase 1 clinical trial. Our second product candidate, CITY-RBP4, is a City-engineered GalNAc-conjugated siRNA therapeutic, in development for the treatment of Stargardt disease, which is the most common inherited macular degenerative disease in children and young adults, and other ocular diseases. In mid-2026, we filed an application for CITY-RBP4 to initiate a Phase 1 clinical trial in late 2026. Our third program, CITY-TFR2, is a City-engineered GalNAc-conjugated siRNA therapeutic in development for the treatment of anemia of chronic disease. An IIT for CITY-TFR2 is expected to begin in China for the treatment of anemia in myelofibrosis patients in late 2026, and we plan to file an IND or IND-equivalent application in late 2026 and initiate a Phase 1/2 study for CITY-TFR2 in early 2027. In addition to our wholly owned pipeline, we have entered into research collaboration and license agreements with two industry collaboration partners: in July 2024, we entered into the B+L Agreement with Bausch + Lomb, focused on the discovery and development of intravitreally administered RNAi therapeutics in ocular diseases; and in May 2025, we entered into the Biogen Agreement with Biogen, focused on the discovery and development of RNAi triggers for use in systemic delivery of RNAi to treat neurodegenerative conditions. In addition, we entered into the OSIF License Agreement with OSIF in October 2023, pursuant to which OSIF granted us an exclusive, royalty-bearing license to certain patent rights relating to the originating technology underlying cityRNAs and certain other aspects of our technology platform.

We were incorporated in the State of Delaware in July 2023. We have our principal executive offices located in Cambridge, Massachusetts. Our wholly owned subsidiary, City Therapeutics Securities Corporation, is a Massachusetts securities corporation.

We have devoted substantially all of our efforts to research and development activities, advancing development of the portfolio of programs and platforms, raising capital, developing and maintaining our intellectual property, hiring personnel, and providing general and administrative support for these operations. Since inception, we have funded our operations with proceeds from the issuance and sale of convertible preferred stock, including $4.5 million in gross proceeds from sales of our Series Seed convertible preferred stock from September 2023 through March 2024, $134.7 million in gross

proceeds from sales of our Series A convertible preferred stock from April 2024 through December 2024, and $99.5 million in gross proceeds from sales of our Series B convertible preferred stock from May 2026 through June 2026, the issuance of convertible notes in the amounts of $10.0 million and $30.0 million to Bausch + Lomb in July 2024 and Biogen in May 2025, respectively, and from non-refundable upfront payments of $5.0 million and $16.0 million from our collaboration arrangements with Bausch + Lomb in July 2024 and Biogen in June 2025, respectively. As of June 30, 2026, we had cash, cash equivalents, and restricted cash of $172.1 million.

We have incurred significant operating losses since our inception and expect to continue to generate operating losses for the foreseeable future. Our ability to generate revenue from product sales sufficient to achieve profitability will depend on the successful development and eventual commercialization of any product candidates we may develop. For the years ended December 31, 2024 and 2025, we had a net loss of $27.8 million and $58.5 million, respectively, and $24.3 million and $53.4 million for the six months ended June 30, 2025 and 2026, respectively. As of December 31, 2025 and June 30, 2026, we had an accumulated deficit of $89.1 million and $142.5 million, respectively. We expect our expenses and operating losses will increase substantially as we:

- advance our product candidates through preclinical and clinical development, including continuing the Phase 1 clinical trial for CITY-FXI and advancing other programs through preclinical and clinical development;
- seek regulatory approvals for our product candidates that successfully complete clinical trials from Regulatory Authorities;
- hire additional clinical, quality control, medical, scientific, and other technical personnel to support the clinical development of our product candidates;
- expand our internal capabilities to support clinical-stage development;
- increase our headcount as we expand our research and development organization and pre-commercial planning activities;
- undertake any activities to establish sales, marketing, and distribution capabilities in preparation for commercialization, as applicable, including hiring additional personnel to support such operations;
- seek to identify, acquire, and develop additional product candidates where we can leverage our City Platform, including through business development efforts to invest in or in-license other technologies or product candidates;
- maintain, expand, and protect our intellectual property portfolio;
- experience heightened regulatory scrutiny;
- make milestone, royalty, or other payments due under the OSIF License Agreement, and any future in-license or collaboration agreements with third parties; and
- incur additional legal, audit, regulatory, tax and other expenses associated with operating as a public company.

We do not expect to generate any revenue from product sales unless and until we successfully complete the clinical development or future clinical development of, and obtain regulatory approval for, one or more of our current or future product candidates, which may not occur for several years, if at all. In addition, if we obtain marketing approval for our product candidates and any other product candidates we may identify and pursue, we expect to incur significant commercialization expenses related to product manufacturing, sales, marketing and distribution.

Our net losses may fluctuate significantly from quarter-to-quarter and year-to-year, depending on the timing of our preclinical studies and planned clinical trials and our expenditures on other research and development activities. There can be no assurance that our research and development efforts will be successfully completed, that adequate protection for our intellectual property will be obtained, that any products developed will obtain necessary government regulatory approval or that any approved products

will be commercially viable. Even if our product development efforts are successful, it is uncertain when, if ever, we will generate significant revenue from product sales. We operate in an environment of rapid change in technology and substantial competition from pharmaceutical and biotechnology companies. In addition, we are dependent upon the services of our employees and consultants. Accordingly, until such time as we can generate significant revenue from our existing or future product candidates, if ever, we expect to finance our cash needs through private and public equity financings, additional collaborations, strategic alliances and marketing, distribution or license arrangements. See the section titled "*Liquidity and Capital Resources*." However, we may be unable to obtain financing on acceptable terms, or at all, and we may not be able to enter into additional collaborations or other arrangements. The terms of any financing may adversely affect the holdings or the rights of our stockholders. Our inability to raise capital or enter into such other arrangements when needed would have a negative impact on our financial condition and could force us to delay, scale back or discontinue some or all of our research and development programs, product portfolio expansion efforts or commercialization efforts. Although we continue to pursue these plans, there is no assurance that we will be successful in obtaining sufficient funding on terms acceptable to us to fund continuing operations, if at all.

We believe, based on our current operating plan, that our cash and cash equivalents as of June 30, 2026, together with the net proceeds from this offering, will be sufficient to fund our operating expenses and capital expenditure requirements into . See sections titled "*Use of Proceeds*," "*Liquidity and Capital Resources,*" "*Risk Factors — Risks Related to Our Limited Operating History, Financial Condition and Need for Additional Capital*," and Note 1 to our audited consolidated financial statements.

Components of Results of Operations

The following discussion summarizes the key components of our results of operations.

Collaboration Revenue

Our revenue to date has been generated primarily from our research collaboration and license agreements with Bausch + Lomb and Biogen. We recognize revenue under these arrangements over time as we perform the research services using an input method which is based on the actual costs incurred relative to total costs expected to be incurred. We have not generated any revenue from product sales and do not expect to do so for the foreseeable future. We expect that any revenue we generate from our existing collaborations will fluctuate from period to period based on the timing of our research and development activities, and our ability to achieve specified milestones. If we enter into additional collaboration or license agreements with third parties, we may generate revenue in the future from payments from such collaboration or license agreements, or any combination thereof. However, there can be no assurance as to when we will generate such revenue, if at all.

Operating Expenses

Research and Development Expenses

Research and development costs are expensed as incurred. Research and development costs include salaries, stock-based compensation and other employee benefit expenses, consultants, costs of funding research performed by third parties on our behalf, lab-related supplies, and allocated facility-related expenses. We do not track, record or maintain personnel-related expenses or other indirect or shared operating costs incurred for our research and development programs on a program-by-program basis, because our personnel and other resources are deployed across multiple product candidates and research and development programs and, as a result, these costs are not separately identifiable by program.

Non-refundable advance payments for goods and services to be received in the future for use in research and development activities are recorded as prepaid expenses on the accompanying

consolidated balance sheets. The prepaid amounts are expensed as the related goods are delivered or the services are performed, or when it is no longer expected that the goods will be delivered, or the services rendered.

We record accrued liabilities for estimated costs of research and development activities conducted by third-party service providers. We accrue these costs based on factors such as estimates of the work completed and in accordance with agreements established with our third-party service providers under the service agreements. We make significant judgments and estimates in determining the accrued liabilities balance in each reporting period. As actual costs become known, we adjust our accrued liabilities. The historical accrual estimates made by us have not been materially different from the actual costs.

We expect research and development expenses to increase as we continue advancing our current and future product candidates through preclinical and clinical development and invest in the development of additional product candidates.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and personnel-related costs, including stock-based compensation expense, for our personnel in executive, business development, legal, finance and accounting, human resources and other administrative functions. General and administrative expenses also include consulting fees, facility costs not otherwise included in research and development expenses, fees paid for accounting and tax services, insurance expenses, and legal costs consisting of general corporate legal fees and patent legal fees.

We anticipate that our general and administrative expenses will increase in the future as we increase our headcount to support the expansion of our business, particularly in support of development of product candidates and our continued research and clinical development activities. We will also incur significant costs associated with being a public company, including increased accounting, audit, legal, regulatory, compliance, and director and officer insurance costs, as well as expenses related to services associated with maintaining compliance with the requirements of the Nasdaq Stock Market, the SEC, and investor relations costs.

Total Other Income (Expense), Net

Total other income (expense), net, consists primarily of (i) interest income earned on our cash and cash equivalents, (ii) interest expense on our convertible notes (the “Original Notes”) issued to ARCH Venture Fund XII L.P. (“ARCH”) and one of our founders (the “Founder”), as well as the convertible note issued to Bausch + Lomb (“B+L Note”) and the Biogen Note in connection with our research collaboration and license agreements, (iii) the changes in the fair value of these convertible notes recorded through earnings as they were accounted for under the fair value option, and (iv) gain resulting from our lease modification.

Results of Operations

Comparison of the years ended December 31, 2024 and 2025

The following table summarizes our results of operations (in thousands):

	For the year ended December 31,		
	2024	2025	Change
Collaboration revenue	$ 2,778	$ 13,562	$ 10,784
Operating expenses:			
Research and development	25,682	58,420	32,738
General and administrative	6,186	15,064	8,878
Total operating expenses	31,868	73,484	41,616
Loss from operations	(29,090)	(59,922)	(30,832)

	For the year ended December 31,		
	2024	2025	Change
Other income:			
Interest income	2,397	4,208	1,811
Interest expense	(448)	(2,257)	(1,809)
Other expense, net	(695)	(534)	161
Total other income, net	1,254	1,417	163
Net loss	$(27,836)	$(58,505)	$(30,669)

Collaboration Revenue

The following table summarizes our collaboration revenues (in thousands):

	For the year ended December 31,		
	2024	2025	Change
Revenue recognized from B+L Agreement	$2,778	$ 7,123	$ 4,345
Revenue recognized from Biogen Agreement	—	6,439	6,439
Total Revenue	$2,778	$13,562	$10,784

Our collaboration revenue increased by $10.8 million, from $2.8 million for the year ended December 31, 2024 to $13.6 million for the year ended December 31, 2025. The increase was attributed to $6.4 million from the Biogen Agreement, which was executed during 2025, and an increase of $4.3 million pursuant to the B+L Agreement as we continued to perform research and development activities since its execution in July 2024.

Research and Development Expenses

The following table summarizes our research and development expenses (in thousands):

	For the year ended December 31,		
	2024	2025	Change
Direct costs:			
CITY-FXI	$ 5,694	$12,161	$ 6,467
CITY-RBP4	2,981	7,109	4,128
CITY-TFR2	1,104	2,985	1,881
Ocular	919	2,563	1,644
CNS	240	2,711	2,471
Indirect costs:			
Personnel-related expenses (excluding stock-based compensation)	4,938	10,498	5,560
Stock-based compensation	445	955	510
Other indirect research and development	9,361	19,438	10,077
Total research and development expenses	$25,682	$58,420	$32,738

Research and development expenses increased by $32.7 million, from $25.7 million for the year ended December 31, 2024 to $58.4 million for the year ended December 31, 2025. The increase in research and development expenses reflects continued advancement of multiple pipeline programs from discovery into IND- and IND-equivalent-enabling development and clinical-stage activities, expansion of our collaboration programs, and continued investment in our platform and research infrastructure, including:

- $6.5 million of increased costs associated with our lead program, CITY-FXI, which was primarily due to IND or IND-equivalent and manufacturing costs such as CMC activities, drug substance and drug product manufacturing, as well as preclinical and toxicology studies and clinical readiness costs ahead of the filing of the IND or IND-equivalent application;
- $4.1 million of increased costs associated with CITY-RBP4, which was attributed to increased preclinical and IND or IND-equivalent-enabling activities such as preclinical pharmacology and toxicology studies, CMC activities, drug-metabolism and pharmacokinetics studies, as we advanced CITY-RBP4 toward a planned IND or IND-equivalent application filing;
- $1.9 million of increased costs associated with our CITY-TFR2 program, which was primarily due to increased preclinical research and discovery activities as we advanced our CITY-TFR2 program;
- $1.6 million of increased costs associated with research activities performed under the B+L Agreement, which was executed in July 2024;
- $2.5 million of increased costs associated with research activities performed under the Biogen Agreement, which was executed in May 2025;
- $5.6 million of increased employee compensation expense (excluding stock-based compensation) primarily due to increased research and development headcount to support our growing pipeline and platform activities;
- $0.5 million of increased stock-based compensation expense primarily due to additional equity awards granted under our 2023 Plan; and
- $10.1 million of increased costs associated with other indirect research and development costs, which primarily included (i) a $2.9 million increase in facilities and depreciation costs associated with the expanded lease for our Cambridge, Massachusetts office and laboratory space, (ii) a $2.3 million increase in equipment and laboratory supplies, (iii) a $2.3 million increase in overhead and indirect costs to support our growing platform, pipeline and research and development activities, and (iv) a $2.0 million increase in outside research and consulting costs.

General and Administrative Expenses

The following table summarizes our general and administrative expenses (in thousands):

	For the year ended December 31,		
	2024	**2025**	**Change**
Employee compensation (excluding stock-based compensation)	$1,197	$ 3,907	$2,710
Stock-based compensation	560	2,042	1,482
Other general and administrative expenses	4,429	9,115	4,686
Total general and administrative expenses	$6,186	$15,064	$8,878

General and administrative expenses increased by $8.9 million, from $6.2 million for the year ended December 31, 2024 to $15.1 million for the year ended December 31, 2025. The increase in general and administrative expenses was primarily attributable to:

- $2.7 million of increased employee compensation expense (excluding stock-based compensation) primarily due to increased general and administrative headcount to support our operations;
- $1.5 million of increased stock-based compensation expense primarily due to additional equity awards granted under our 2023 Plan; and
- $4.7 million of increased other general and administrative expenses primarily due to increased professional fees, facilities, depreciation, information technology and other general and administrative costs that are not personnel-related.

Total Other Income, Net

Total other income, net increased by $0.2 million, from $1.2 million for the year ended December 31, 2024 to $1.4 million for the year ended December 31, 2025. Interest income increased by $1.8 million primarily due to higher cash and cash equivalents balances following the closing of additional Series A convertible preferred stock issuances. This increase was substantially offset by an increase of $1.8 million in interest expense recognized on our Biogen Note and B+L Note, which was accounted for under the fair value option. Other expense, net, decreased by $0.2 million, which included changes in the fair value of such convertible notes recorded through earnings and offset by the gain recorded for our lease modification.

Comparison of the six months ended June 30, 2025 and 2026

The following table summarizes our results of operations (in thousands):

	For the six months ended June 30,		
	2025	**2026**	**Change**
Collaboration revenue	$ 5,578	$ 6,358	$ 780
Operating expenses:			
Research and development	24,375	46,319	21,944
General and administrative	7,796	11,170	3,374
Total operating expenses	32,171	57,489	25,318
Loss from operations	(26,593)	(51,131)	(24,538)
Other income (expense), net:			
Interest income	2,064	1,595	(469)
Interest expense	(646)	(1,496)	(850)
Other income (expense), net	893	(2,411)	(3,304)
Total other income (expense), net	2,311	(2,312)	(4,623)
Net loss	$(24,282)	$(53,443)	$(29,161)

Collaboration Revenue

The following table summarizes our collaboration revenues (in thousands):

	For the six months ended June 30,		
	2025	**2026**	**Change**
Revenue recognized from B+L Agreement	$3,567	$2,845	$ (722)
Revenue recognized from Biogen Agreement	2,011	3,513	1,502
Total revenue	$5,578	$6,358	$ 780

Our collaboration revenue increased by $0.8 million, from $5.6 million for the six months ended June 30, 2025 to $6.4 million for the six months ended June 30, 2026. The increase was attributed to $1.5 million from the Biogen Agreement, which was executed during 2025, partially offset by a decrease of $0.7 million pursuant to the B+L Agreement, reflecting the timing and level of research and development activities performed under the agreement since its execution in July 2024.

Research and Development Expenses

The following table summarizes our research and development expenses (in thousands):

	For the six months ended June 30,		
	2025	2026	Change
Direct costs:			
CITY-FXI	$ 6,217	$ 5,565	$ (652)
CITY-RBP4	2,519	6,337	3,818
CITY-TFR2	516	3,543	3,027
Ocular	1,053	734	(319)
CNS	1,115	1,182	67
Undisclosed programs	—	1,409	1,409
Indirect costs:			
Personnel-related expenses (excluding stock-based compensation)	4,726	9,755	5,029
Stock-based compensation	442	1,316	874
Other indirect research and development	7,787	16,478	8,691
Total research and development expenses	$24,375	$46,319	$21,944

Research and development expenses increased by $21.9 million, from $24.4 million for the six months ended June 30, 2025 to $46.3 million for the six months ended June 30, 2026. The increase in research and development expenses reflects continued advancement of multiple pipeline programs from discovery into IND- and IND-equivalent-enabling development and clinical-stage activities, expansion of our collaboration programs, and continued investment in our platform and research infrastructure, including:

- $0.7 million of decreased costs associated with our lead program, CITY-FXI, which was primarily due to the substantial completion in the 2025 period of IND or IND-equivalent-enabling activities, including CMC, drug substance and drug product manufacturing, and preclinical and toxicology studies, partially offset by increased clinical trial costs following the initiation of our Phase 1 clinical trial in the 2026 period; $3.8 million of increased costs associated with CITY-RBP4, which was attributed to increased preclinical and IND or IND-equivalent-enabling activities such as preclinical pharmacology and toxicology studies, CMC activities, drug-metabolism and pharmacokinetics studies, as we advanced CITY-RBP4 toward a planned IND or IND-equivalent application filing;
- $3.0 million of increased costs associated with our CITY-TFR2 program, which was primarily due to increased preclinical research and discovery activities as we advanced our CITY-TFR2 program;
- $0.3 million of decreased costs associated with research activities performed under the B+L Agreement in accordance with the research plan and candidate selection activities;
- $0.1 million of increased costs associated with research activities performed under the Biogen Agreement due to continued spend on research activities;
- $1.4 million of increased costs associated with our undisclosed programs, reflecting new discovery-stage activity initiated during 2026;
- $5.0 million of increased employee compensation expense (excluding stock-based compensation) primarily due to increased research and development headcount to support our growing pipeline and platform activities;
- $0.9 million of increased stock-based compensation expense primarily due to additional equity awards granted under our 2023 Plan and achievement of a performance-based milestone; and

- $8.7 million of increased costs associated with other indirect research and development costs, which primarily included (i) a $1.5 million increase in facilities and depreciation costs associated with the expanded lease for our Cambridge, Massachusetts office and laboratory space, (ii) a $4.7 million increase in overhead and indirect costs to support our growing platform, pipeline and research and development activities, (iii) a $0.6 million increase in outside research and consulting costs, and (iv) a $1.9 million increase in platform research costs.

General and Administrative Expenses

The following table summarizes our general and administrative expenses (in thousands):

	For the six months ended June 30,		
	2025	2026	Change
Employee compensation (excluding stock-based compensation)	$2,119	$ 2,199	$ 80
Stock-based compensation	1,055	3,601	2,546
Other general and administrative expenses	4,622	5,370	748
Total general and administrative expenses	$7,796	$11,170	$3,374

General and administrative expenses increased by $3.4 million, from $7.8 million for the six months ended June 30, 2025 to $11.2 million for the six months ended June 30, 2026. The increase in general and administrative expenses was primarily attributable to:

- $0.1 million of increased employee compensation expense (excluding stock-based compensation) primarily due to increased general and administrative headcount to support our operations;
- $2.5 million of increased stock-based compensation expense primarily due to additional equity awards granted under our 2023 Plan and the achievement of a performance-based milestone; and
- $0.7 million of increased other general and administrative expenses primarily due to increased professional fees, facilities, depreciation, information technology and other general and administrative costs that are not personnel-related.

Total Other Income (Expense), Net

Total other income (expense), net decreased by $4.6 million, from income of $2.3 million for the six months ended June 30, 2025 to expense of $2.3 million for the six months ended June 30, 2026. Interest income decreased by $0.5 million primarily due to lower average interest-earning cash balances during the 2026 period. This decrease was substantially compounded by an increase of $0.9 million in interest expense, reflecting a full six months of interest on the $30.0 million Biogen Note issued in May 2025 compared with approximately one month in the 2025 period, together with interest on the $10.0 million B+L Note through its conversion in May 2026. Other income (expense), net, decreased by $3.3 million, from income of $0.9 million to expense of $2.4 million, primarily due to a $2.2 million increase in expense from changes in the fair value of our convertible notes, which are accounted for under the fair value option, and the recognition of a $1.0 million gain related to the modification of our lease in 2025.

Liquidity and Capital Resources

Sources of Liquidity

We have incurred net losses and negative cash flows from operations since our inception and anticipate we will continue to incur net losses for the foreseeable future.

Since our inception in July 2023, we have funded our operations primarily through (i) proceeds from sales of our convertible preferred stock, (ii) proceeds from issuances of convertible notes to our

collaboration partners, and (iii) upfront and milestone payments under our research collaboration and license agreements with Bausch + Lomb and Biogen. As of June 30, 2026, we had cash and cash equivalents of $169.6 million, restricted cash of $2.5 million, and an accumulated deficit of $142.5 million.

We have issued both convertible notes and convertible preferred stock, which are classified as a liability and as mezzanine equity, respectively, on our consolidated balance sheets. Immediately prior to the closing of this offering, (i) all outstanding shares of our convertible preferred stock will automatically convert into common stock on a one-for-one basis, and (ii) the outstanding principal and accrued interest under the Biogen Note will automatically convert into common stock. As a result, no shares of convertible preferred stock and no convertible notes will remain outstanding after this offering, the carrying value of our convertible preferred stock will be reclassified from mezzanine equity to permanent stockholders' equity, and the Biogen Note will be reclassified from a liability to permanent stockholders' equity. For a description of the material terms of our convertible note and convertible preferred stock, see Notes 5 and Notes 10, respectively, to our audited consolidated financial statements and to our unaudited interim condensed consolidated financial statements.

Cash Flows

Comparison of the years ended December 31, 2024 and 2025

The following table provides information regarding our cash flows for the periods presented (in thousands):

	For the year ended December 31,	
	2024	**2025**
Net cash used in operating activities	$ (20,391)	$ (41,611)
Net cash used in investing activities	(3,379)	(2,378)
Net cash provided by financing activities	149,438	30,859
Net increase (decrease) in cash, cash equivalents, and restricted cash[(1)]	$125,668	$(13,130)

(1) Cash, cash equivalents, and restricted cash includes restricted cash of $1.5 million and $2.5 million as of December 31, 2024 and 2025, respectively.

Net Cash Used in Operating Activities

Net cash used in operating activities was $20.4 million for the year ended December 31, 2024, compared to $41.6 million for the year ended December 31, 2025. The increase in cash used in operating activities was primarily attributable to our higher net loss, which increased by $30.7 million year-over-year, principally driven by increased research and development activities and headcount, and increases in prepaid expenses and other current assets, due to timing. This increase was partially offset by changes in our operating assets and liabilities, including an increase in deferred revenue from our collaboration arrangements driven by timing.

Net Cash Used in Investing Activities

Net cash used in investing activities was $3.4 million for the year ended December 31, 2024, compared to $2.4 million for the year ended December 31, 2025. In both periods, cash used in investing activities consisted primarily of purchases of property and equipment, laboratory equipment and leasehold improvements at our Cambridge, Massachusetts facilities, partially offset by minimal proceeds from sales of property and equipment. The decrease of $1.0 million was primarily attributable to a $1.1 million reduction in purchases of property and equipment.

Net Cash Provided by Financing Activities

Net cash provided by financing activities was $149.4 million for the year ended December 31, 2024, primarily consisting of $134.7 million in gross proceeds from the issuance of our Series A

convertible preferred stock and $15.0 million in gross proceeds from issuances of convertible notes (including the B+L Note and the Original Notes that converted into Series A convertible preferred stock), partially offset by $0.3 million in offering costs. Net cash provided by financing activities was $30.9 million for the year ended December 31, 2025, primarily consisting of $30.0 million in gross proceeds from the issuance of the Biogen Note in May 2025 and $0.9 million in proceeds from exercises of stock options.

Comparison of the six months ended June 30, 2025 and 2026

The following table provides information regarding our cash flows for the periods presented (in thousands):

	For the six months ended June 30,	
	2025	**2026**
Net cash used in operating activities	$ (7,098)	$ (43,158)
Net cash used in investing activities	(352)	(1,022)
Net cash provided by financing activities	30,806	100,992
Net increase in cash, cash equivalents, and restricted cash[(1)]	$23,356	$ 56,812

(1) Cash, cash equivalents, and restricted cash includes restricted cash of $2.5 million as of each of June 30, 2025 and 2026.

Net Cash Used in Operating Activities

Net cash used in operating activities was $7.1 million for the six months ended June 30, 2025, compared to $43.2 million for the six months ended June 30, 2026. The increase in cash used in operating activities was primarily attributable to our higher net loss, which increased by $29.2 million period-over-period, principally driven by increased expenses from research and development activities and headcount. This increase was further impacted by changes in our operating assets and liabilities, including a decrease in deferred revenue from our collaboration arrangements and an increase in accounts receivable due to timing.

Net Cash Used in Investing Activities

Net cash used in investing activities was $0.4 million for the six months ended June 30, 2025, compared to $1.0 million for the six months ended June 30, 2026. In both periods, cash used in investing activities consisted primarily of purchases of property and equipment, laboratory equipment and leasehold improvements at our Cambridge, Massachusetts facilities. The increase of $0.7 million was primarily attributable to increased purchases of property and equipment.

Net Cash Provided by Financing Activities

Net cash provided by financing activities was $30.8 million for the six months ended June 30, 2025, primarily consisting of $30.0 million in gross proceeds from the issuance of the Biogen Note and $0.8 million in proceeds from exercises of stock options. Net cash provided by financing activities was $101.0 million for the six months ended June 30, 2026, primarily consisting of $99.5 million in gross proceeds from the issuance of Series B convertible preferred stock and $2.1 million in proceeds from exercises of stock options.

Future Funding Requirements

As of June 30, 2026, we had cash, cash equivalents, and restricted cash of $172.1 million.

We expect that our cash and cash equivalents as of June 30, 2026 will be sufficient to fund our operating expenses and capital expenditure requirements through at least 12 months from the date our unaudited interim condensed consolidated financial statements were available to be issued.

We believe, based on our current operating plan, that the net proceeds from this offering, together with our existing cash and cash equivalents, will enable us to fund our planned operating expenses and capital expenditure requirements into .

Due to the inherently unpredictable nature of preclinical and clinical development and given the early stage of our programs and product candidates, we cannot reasonably estimate the costs we will incur and the timelines that will be required to complete development, obtain any marketing approval, and commercialize our products, if and when approved. For the same reasons, we are also unable to predict when, if ever, we will generate revenue from product sales or whether, or when, if ever, we may achieve profitability. Clinical and preclinical development timelines, the probability of success, and development costs can differ materially from expectations. In addition, we cannot forecast which products, if approved, may be subject to future collaborations, when such arrangements will be secured, if at all, and to what degree such arrangements would affect our development plans and capital requirements. We will need to raise substantial additional capital in the future.

Our primary uses of capital are to fund research and development activities, compensation and related expenses, and general overhead costs. We expect our expenses to increase substantially in connection with our ongoing activities, particularly as we advance our current and future product candidates through discovery, preclinical studies, and clinical trials.

Our funding requirements and timing and amount of our operating expenditures will depend on many factors, including:

- the scope, timing, progress, costs, and results of discovery, preclinical development and clinical trials for our current or future product candidates and effectiveness of our platform;
- the number of clinical trials required for regulatory approval of our current or future product candidates;
- the costs, timing, and outcome of regulatory review of any of our current or future product candidates;
- the costs associated with acquiring or licensing additional product candidates, technologies or assets, including the timing and amount of any milestones, royalties, or other payments due in connection with our acquisitions and licenses, as applicable;
- the cost of manufacturing clinical and commercial supplies of our current or future product candidates;
- the costs and timing of preparing, filing, and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending any intellectual property-related claims, including any claims by third parties that we are infringing upon their intellectual property rights;
- our ability to establish new, and maintain existing, strategic collaborations, licensing or other arrangements on favorable terms, if at all, and the financial terms of any such agreements, including the timing and amount of any future milestone, royalty or other payments due to or payable by us thereunder and the extent to which we are obligated to reimburse, or entitled to reimbursement of, clinical trial costs under any such agreements;
- the costs and timing of future commercialization activities, including manufacturing, marketing, sales, and distribution, for any of our product candidates for which we receive marketing approval;
- the revenue, if any, received from commercial sales of our product candidates for which we receive marketing approval;
- expenses to attract, hire, and retain skilled personnel;
- the costs of operating as a public company;
- our ability to establish a commercially viable pricing structure and obtain approval for coverage and adequate reimbursement from third-party and government payors;

- the effect of macroeconomic trends including inflation, tariffs, and fluctuating interest rates;
- addressing any potential supply chain interruptions or delays;
- the effect of competing technological and market developments; and
- the extent to which we acquire or invest in businesses, products, and technologies.

Until such time, if ever, that we can generate substantial product revenue, we expect to finance our operations through a combination of public and private equity offerings, debt and royalty financings, or other sources of capital, which may include additional collaborations with other companies, or licensing arrangements with third parties, or other similar arrangements. However, we may be unable to raise additional funds or enter into such other arrangements when needed on favorable terms or at all. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders will or could be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common stockholders. Debt or royalty 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 additional collaborations, strategic alliances, or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs, product candidates, or grant licenses on terms that may not be favorable to us. If we are unable to raise additional capital or obtain adequate funding when needed or on acceptable terms, we may be required to delay, scale back, or discontinue our research, product development, or future commercialization efforts, or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

License and Collaboration Agreements

Below is a summary of the key terms for our material license and collaboration agreements. For a more detailed description, see the section of this prospectus titled "*Business — License and Collaboration Agreements*," and Note 9 to our audited consolidated financial statements.

Bausch + Lomb Research Collaboration and License Agreement

On July 8, 2024, we entered into the B+L Agreement with Bausch + Lomb, pursuant to which (i) we agreed to undertake a research program to discover certain licensed molecules which would enable Bausch + Lomb to develop and subsequently commercialize, a licensed product in the field of ocular disease and (ii) we granted Bausch + Lomb an option to obtain an exclusive, worldwide license to certain of our intellectual property to develop, manufacture and commercialize a licensed product in the field of ocular disease. Simultaneously with the execution of the B+L Agreement, we issued a convertible note to Bausch + Lomb in an aggregate principal amount of $10.0 million, bearing interest at 8.0% per annum and maturing on July 8, 2027, unless earlier converted, which subsequently converted into shares of our Series B-1 convertible preferred stock.

Pursuant to the B+L Agreement, we will perform specified research activities pursuant to a research plan and deliver to Bausch + Lomb a development candidate for which Bausch + Lomb may exercise its option to license. We plan to substantially complete the research and development under the B+L Agreement to enable Bausch + Lomb to select a development candidate by late 2026. If Bausch + Lomb exercises its option, it will engage in the development, manufacturing and commercialization of licensed molecules and licensed products from the development candidate.

Under the B+L Agreement, we received a non-refundable, non-creditable upfront payment of $5.0 million from Bausch + Lomb in July 2024. Over the course of the research plan, Bausch + Lomb is required to reimburse us for amounts incurred for full-time employees and other related costs and materials directly associated with the research plan. Additionally, we are eligible to receive (i) a certain development candidate selection fee and certain other development, regulatory, commercial and sales milestones, collectively up to an aggregate of $485.0 million, and (ii) tiered royalties ranging from mid-single digits to low teens on annual net sales of licensed products, subject to customary reductions and an

overall royalty floor. If the agreement terminates and we later successfully commercialize a product candidate using the licensed intellectual property, we are required to pay Bausch + Lomb a low-single digit royalty on future net sales. As of June 30, 2026, no such milestone payments or royalties had become due to us.

Biogen Research Collaboration and License Agreement

On May 23, 2025, we entered into the Biogen Agreement with Biogen, pursuant to which (i) we and Biogen shall collaborate to undertake a research plan to discover and develop certain RNAi triggers that inhibit the expression of a target protein and conjugates of such RNAi triggers and (ii) we granted Biogen an exclusive, worldwide, royalty-bearing license to certain of our intellectual property to develop, manufacture and commercialize licensed compounds and licensed products in the field in the territory. Simultaneously with the execution of the Biogen Agreement, we issued a convertible note to Biogen in an aggregate principal amount of $30.0 million, bearing interest at 8.0% per annum and maturing on July 1, 2027, unless earlier converted.

Pursuant to the Biogen Agreement, we will perform research activities and deliver to Biogen data packages and technology transfers to enable Biogen to select and advance a development candidate, for which Biogen may exercise its rights under the license. We plan to substantially complete the research and development under the Biogen Agreement by late 2026 to enable Biogen to select a development candidate by late 2027. If Biogen selects a development candidate, it will control the development, manufacturing and commercialization of licensed compounds and licensed products. Each party is responsible for its own research costs under the agreement. We also granted Biogen an option, exercisable during a specified period and upon specified terms, to designate one additional target, subject to execution of a separate collaboration and license agreement on substantially the same terms and an additional payment of a specified option exercise fee.

Under the Biogen Agreement, we received a non-refundable, non-creditable upfront payment of $16.0 million from Biogen in June 2025. We are also eligible to receive an additional non-refundable upfront payment contingent upon the satisfaction of certain conditions relating to our upstream license with OSIF. Additionally, we are eligible to receive up to an aggregate of approximately $1.0 billion in research, development, commercial and sales milestones, along with tiered royalties ranging from high-single digits to low teens on annual net sales of licensed products, subject to customary reductions and an overall royalty floor. As of June 30, 2026, no development, commercial or sales milestones or royalties had become due to us. During the six months ended June 30, 2026, we achieved a research milestone resulting in $4.0 million becoming due to us.

Contractual Obligations and Commitments

OSIF License Agreement

On October 30, 2023, we entered into the OSIF License Agreement with OSIF, pursuant to which OSIF granted us an exclusive, royalty-bearing license to certain patent rights relating to the originating technology underlying cityRNAs and certain other aspects of our technology platform to make, have made, use, sell, and import certain licensed products, subject to certain terms and restrictions therein. As consideration, we issued to OSIF 567,060 shares of our common stock, which constituted 5% of our fully diluted capitalization as of the effective date of the agreement, valued at $0.1 million, and agreed to issue additional equity securities to OSIF from time to time as necessary to maintain its pro rata ownership percentage until we have received a specified amount of equity financing proceeds pursuant to certain anti-dilution provisions of the OSIF License Agreement. On April 17, 2024, upon the closing of our Series A convertible preferred stock financing, we issued to OSIF an additional 29,522 shares of our common stock, valued at $0.1 million, in accordance with the anti-dilution provisions of the OSIF License Agreement. The OSIF License Agreement has been subsequently amended to add additional patent rights and technology disclosures to the licensed intellectual property, and we reimbursed OSIF for patent prosecution costs associated with such additional patent rights.

Pursuant to the OSIF License Agreement, we are required to pay OSIF a total of up to $4.2 million upon achievement of certain clinical development, regulatory approval, and commercial sales milestones,

for each licensed product. We are also required to pay OSIF tiered low-single digit running royalties based on annual net sales of each licensed product, along with a specified minimum annual royalty amount for each licensed product, subject to customary reductions and offsets. In addition, we are responsible for certain patent costs incurred after the effective date of the OSIF License Agreement and annual maintenance fees. The OSIF License Agreement also requires us to pay OSIF tiered percentages of certain non-royalty sublicense consideration, ranging from a low-twenties to mid-twenties percentage at earlier stages of development and a low-tens to mid-teens percentage at later stages of development, with the applicable percentage depending on the stage of development at which the sublicense is granted. In connection with the Biogen Agreement, during the year ended December 31, 2025, we paid OSIF $0.3 million in sublicensing fees related to the upfront payment received under the Biogen Agreement and no other payments were made for any other period. No milestone payments or net sales-based royalties had become due to OSIF through June 30, 2026. No repurchase rights of common stock issued to OSIF had become payable as of June 30, 2026.

Purchase and Other Obligations

We enter into contracts in the normal course of business with CROs and other third-party vendors for preclinical and commercial supply manufacturing, support for pre-commercial activities, research, and development activities, and other services and products for our operations. These contracts are generally cancelable upon written notice. Payments due upon cancellation consist generally of payments for services provided and expenses incurred up to the date of cancellation.

Lease Obligations

In December 2023, we entered into a lease of office and laboratory space in Cambridge, Massachusetts, which became our corporate headquarters. In June 2025, we entered into the First Amendment to Lease (“Amendment”), which expanded the leased premises to include the entire second floor and a portion of the fourth floor, provided for the surrender of the original first floor and penthouse premises, and extended the lease term through September 30, 2031. Following the Amendment, our leased premises consist of approximately 51,726 rentable square feet. Under the terms of the Amendment, the lease term for the retained and substitute premises expires on September 30, 2031. The lease includes a renewal option which extends the term of the lease for an additional 36 months, however, we have determined that it is not reasonably certain that we will exercise this option.

Monthly rent payments under the lease, which include base rent charges of approximately $0.5 million per month, are subject to yearly rent increases of 3% through the end of the lease term. Base rent is fully abated during the months of December 2025, December 2026, and December 2027. The Company is responsible for paying a pro rata share of costs incurred for common area maintenance, real estate taxes, and property insurance related to the leased space, which are considered variable lease payments and are expensed as incurred. The total rent payments to be paid over the non-cancelable term of this lease are $39.6 million. We have a weighted-average incremental borrowing rate of 14.0% and a weighted-average remaining lease term of 5.7 years.

Refer to Note 7 to our audited consolidated financial statements included elsewhere in this prospectus for more information on our lease obligations.

Critical Accounting Estimates and Significant Judgments

Our management’s discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, and expenses and the related disclosure of contingent assets and liabilities in our financial statements. We base our estimates on historical experience, known trends and events, and various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We evaluate our estimates and judgments on an ongoing basis. Our actual results may differ from these estimates under different assumptions or conditions.

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

Revenue Recognition

To date, our revenue is generated from our research, collaboration and license agreements with our collaboration partners. Under each agreement, we identify the performance obligations and determine the transaction price at contract inception, including assessment of variable consideration. We recognize revenue over time as we perform the research services using an input method which is based on the actual costs incurred relative to total costs expected to be incurred. The transaction price is updated at each reporting date for any changes in estimated variable consideration. Significant judgment is required in (i) identifying the performance obligations under each agreement, including assessing whether promises are distinct, (ii) estimating variable consideration related to cost reimbursements, milestones, and other contingent payments, including the constraint on variable consideration, and (iii) estimating the total costs expected to be incurred over the performance period. Changes in these estimates can have a material impact on the timing and amount of revenue recognized.

Research and Development

As part of the process of preparing our consolidated financial statements, we are required to estimate our accrued research and development expenses as of each balance sheet date. In accruing these costs, we estimate based on the work completed and in accordance with agreements established with our third-party service providers under the service agreements. This process involves reviewing open contracts and purchase orders, communicating with internal personnel to identify services that have been performed on our behalf and estimating the level of service performed and the associated cost incurred for the service when we have not yet been invoiced or otherwise notified of the actual cost. We recognize direct development costs based on an evaluation of the progress to completion of specific tasks using information provided to us by our vendors or our estimate of the level of service that has been performed at each reporting date. Payments for these activities are based on the terms of the individual agreements, which may differ from the timing of when costs are incurred. In circumstances where amounts have been paid in excess of costs incurred, we record a prepaid expense.

Although we do not expect our estimates to be materially different from amounts actually incurred, if our estimates of the status and timing of services performed differ from the actual status and timing of services performed, it could result in us reporting amounts that are too high or too low in any particular period. To date, there have been no material differences between our estimates of such expenses and the amounts actually incurred.

Stock-Based Compensation

We periodically grant equity-based payment awards in the form of stock options to employees, directors and non-employee consultants and record stock-based compensation expenses for awards of stock-based payments based on their estimated fair value at the grant date. For equity-based awards with service-based vesting conditions, we recognize compensation expense on a straight-line basis. For equity-based awards with performance-based vesting conditions, we recognize compensation expense at the point in time when achievement of the performance condition becomes probable. Estimating the fair value of equity awards as of the grant date using valuation models, such as the Black-Scholes option pricing model, is affected by assumptions regarding a number of variables, including the risk-free interest rate, the expected stock price volatility, the expected term of stock options, the expected dividend yield and the fair value of the underlying common stock on the date of grant. These inputs are subjective and generally require significant analysis and judgment to develop. Forfeitures are accounted for as they occur. Changes in the assumptions can materially affect the fair value and ultimately how much stock-based compensation expense is recognized. The fair value of time-vesting restricted common stock awards is equal to the common stock price on the date of grant.

We classify stock-based compensation expense in the statement of operations in the same manner in which the award recipients' payroll costs are classified or in which the award recipients' service payments are classified. We expect to continue to grant equity-based awards in the future, and to the extent that we do, our stock-based compensation expense recognized in future periods will likely increase.

See Note 12 to our audited consolidated financial statements included elsewhere in this prospectus for further details.

Determination of the Fair Value of Common Stock

As there is no public market for our common stock to date, the fair value of the shares of our common stock underlying these share-based awards has been determined by our board of directors, as of the date of each stock option grant, by considering a number of objective and subjective factors, including third-party valuations of our common stock, the valuation of comparable companies, our operating and financial performance, and general and industry-specific economic outlook, among other factors. The assumptions underlying these valuations represented our best estimate, with the assistance of a third-party valuation specialist, which involved inherent uncertainties and the application of our judgment. These third-party valuations were performed in accordance with the guidance outlined in the American Institute of Certified Public Accountants' Accounting and Valuation Guide, *Valuation of Privately Held Company Equity Securities Issued as Compensation*. As a result, if we had used different assumptions or estimates, the fair value of our common stock and the stock-based compensation expense could have been materially different.

Our common stock valuations were prepared using either an option pricing method ("OPM") or a hybrid method, both of which used market approaches to estimate our enterprise value. The OPM treats common stock and convertible preferred stock as call options on the total equity value of a company, with exercise prices based on the value thresholds at which the allocation among the various holders of a company's securities changes. Under this method, the common stock has value only if the funds available for distribution to stockholders exceeded the value of the convertible preferred stock liquidation preferences at the time of the liquidity event, such as a strategic sale or a merger. The hybrid method is a probability-weighted expected return method ("PWERM"), where the equity value in one or more of the scenarios is calculated using an OPM. The PWERM is a scenario-based methodology that estimates the fair value of common stock based upon an analysis of future values for us, assuming various outcomes. The common stock value is based on the probability-weighted present value of expected future investment returns considering each of the possible outcomes available as well as the rights of each class of stock. The future value of the common stock under each outcome is discounted back to the valuation date at an appropriate risk-adjusted discount rate and probability weighted to arrive at an indication of value for the common stock. A discount for lack of marketability ("DLOM") of the common stock is then applied to arrive at an indication of value for the common stock.

These third-party valuations were performed at various dates, which resulted in valuations of our common stock at $4.21 per share as of April 17, 2024, $2.01 per share as of April 8, 2025, $5.88 per share as of May 20, 2026, $8.66 per share as of June 5, 2026 and $9.99 per share as of July 23, 2026. Given the absence of a public trading market, our board of directors, with input from management, considered the results of these third-party valuations in addition to numerous objective and subjective factors to determine the fair value of our common stock. The factors included, but were not limited to:

- the prices at which we sold convertible preferred stock to new and existing investors and the rights and preferences of the convertible preferred stock relative to our common stock at the time of each grant;
- our ability to raise future financings;
- the progress of our research and development efforts, including the status of clinical development for our product candidates;
- our financial position, including cash on hand, and our historical and forecasted performance and operating results;

- our stage of development and business strategy and the material risks related to our business and industry;
- the achievement of enterprise milestones, including entering into license agreements;
- any external market conditions affecting the biotechnology industry and trends within the biotechnology industry;
- the likelihood of achieving a liquidity event for the holders of our convertible preferred stock and holders of our common stock, such as an initial public offering, or a sale of our Company, given prevailing market conditions; and
- the analysis of initial public offerings and the market performance of similar companies in the biopharmaceutical industry.

The assumptions underlying these valuations were highly complex and subjective and represented management's best estimates, which involved inherent uncertainties and the application of management's judgment. As a result, if we had used significantly different assumptions or estimates, the fair value of our common stock and our stock-based compensation expense could have been materially different. Once a public trading market for our common stock has been established in connection with the completion of this offering, it will no longer be necessary for our board of directors to estimate the fair value of our common stock in connection with our accounting for granted stock options and other equity awards we may grant, as the fair value of our common stock will be determined based on the quoted market price of our common stock.

The following table summarizes by grant date the number of shares subject to awards granted under our 2023 Plan from January 1, 2025 through the date of this prospectus, the per share exercise price of the awards and weighted average grant date fair value on each grant date:

Grant Date	Type of Award	Number of Shares Subject to Award[1]	Per Share Exercise Price of Award	Per Share Fair Value of Common Stock on Grant Date	Weighted Average Grant Date Fair Value Per Share
February 25, 2025	Stock Option	340,019	$1.00	$4.21[2]	$3.81
May 13, 2025	Stock Option	759,900	$2.01	$2.01	$1.57
August 11, 2025	Stock Option	286,500	$2.01	$2.01	$1.56
November 21, 2025	Stock Option	65,000	$2.01	$2.01	$1.57
February 13, 2026	Stock Option	1,530,900	$2.01	$2.01	$1.59
February 25, 2026	Stock Option	49,000	$2.01	$2.01	$1.60
May 12, 2026	Stock Option	148,728	$5.88	$5.88	$4.80
June 4, 2026	Stock Option	573,934	$5.88	$8.66[3]	$7.46
July 8, 2026	Stock Option	342,000	$8.66	$8.66	$6.42
July 8, 2026	Restricted Common Stock	100,000	$8.66	$8.66	$8.66
August 4, 2026	Stock Option	558,000	$9.99	$9.99	$7.45

(1) Each grant date includes both time-based and performance-based stock options granted at the exercise price shown. For the year ended December 31, 2025, the 340,019 options granted at a $1.00 exercise price consisted of 211,269 time-based and 128,750 performance-based options, and the 1,111,400 options granted at a $2.01 exercise price consisted of 818,030 time-based and 293,370 performance-based options. For the six months ended June 30, 2026, the 1,579,900 options granted at a $2.01 exercise price consisted of 467,050 time-based and 1,112,850 performance-based options, the 148,728 options granted at a $5.88 exercise price consisted of 117,828 time-based and 30,900 performance-based options, the 573,934 options granted at a $5.88 exercise price consisted of 565,534 time-based and 8,400 performance-based options. For the period after June 30, 2026, the 342,000 options granted at an $8.66 exercise price consisted of 138,000 time-based and 204,000 performance-based options, the 100,000 restricted common stock granted at a $8.66 exercise price consisted of 25,000 time-based and 75,000 performance-based restricted common stock, and the 558,000 options granted at a $9.99 exercise price consisted of 171,600 time-based and 386,400 performance-based options.

(2) At the time of the stock option grant on February 25, 2025, our board of directors determined that the fair value of our common stock of $1.00 per share reasonably reflected the fair value of our common stock as of the grant date. However, the fair value of our common stock as of the date of this grant was adjusted in connection with a retrospective fair value assessment for accounting purposes.

(3) At the time of the stock option grant on June 4, 2026, our board of directors determined that the fair value of our common stock of $5.88 per share reasonably reflected the fair value of our common stock as of the grant date. However, the fair value of our common stock as of the date of this grant was adjusted in connection with a retrospective fair value assessment for accounting purposes.

The fair value of our common stock of $4.21 per share as of February 25, 2025 was determined by our board of directors, based, in part, on the $4.21 per share value indicated in the retrospective third-party valuation prepared as of April 17, 2024. In particular, the valuation determined our enterprise value using an OPM backsolve approach that was primarily based on the $10.0295 price per share paid by new and existing investors in the closing of our Series A convertible preferred stock in April 2024. A DLOM of the common stock was then applied to arrive at an indication of value for our common stock.

The fair value of our common stock of $2.01 per share from May 13, 2025 to February 25, 2026 was determined by our board of directors, based, in part, on the $2.01 per share value indicated in the third-party valuation prepared as of April 8, 2025. In particular, the valuation determined our enterprise value using an OPM market-adjusted backsolve approach that was based on the $10.0295 price per share paid by new and existing investors in the closing of our Series A preferred stock in April 2024. The market adjustment applied to the equity value considered the performance of guideline public companies and the biotech indices since the most recent sale of our convertible preferred stock through the valuation date. A DLOM of the common stock was then applied to arrive at an indication of value for our common stock.

The fair value of our common stock of $5.88 per share from May 12, 2026 to June 3, 2026 was determined by our board of directors, based, in part, on the $5.88 per share value indicated in the third-party valuation prepared as of May 20, 2026. In particular, the valuation determined our enterprise value using an OPM backsolve approach that was based on the $14.63 price per share paid by new and existing investors in the closing of our Series B convertible preferred stock in May and June 2026. A DLOM of the common stock was then applied to arrive at an indication of value for our common stock.

The fair value of our common stock of $8.66 per share from June 4, 2026 to July 7, 2026 was determined by our board of directors, and by us, based, in part, on the $8.66 per share value indicated in the third-party valuation prepared as of June 5, 2026 and our decision to apply the June 5, 2026 valuation to our June 4, 2026 grant for accounting purposes. In particular, the valuation determined our enterprise value using the hybrid method, which included a PWERM, with an initial public offering (“IPO”) scenario, and a sale scenario. Our enterprise value in the IPO scenario was based on guideline IPO transactions identified within the last two years, which was adjusted by a risk adjusted discount rate. The IPO scenario also assumed an estimated timeline for the IPO to occur. Our enterprise value for the sale scenario was based on an OPM backsolve method based on the $14.63 price per share paid by new and existing investors in the closing of our Series B preferred stock in May 2026 and June 2026. A DLOM of the common stock was then applied to arrive at an indication of value for our common stock.

The fair value of our common stock of $9.99 per share as of July 23, 2026 was determined by our board of directors, based, in part, on the $9.99 per share value indicated in the third-party valuation prepared as of July 23, 2026. In particular, the valuation determined our enterprise value using the hybrid method, which included a PWERM, with an IPO scenario, and a sale scenario. Our enterprise value in the IPO scenario was based on guideline IPO transactions identified within the last two years, which was adjusted by a risk adjusted discount rate. The IPO scenario also assumed an estimated timeline for an IPO to occur. Our enterprise value for the sale scenario was based on an OPM market-adjusted backsolve method based on the $14.63 price per share paid by new and existing investors in the closing of our Series B convertible preferred stock in May 2026 and June 2026. The market adjustment applied to the equity value considered the performance of guideline public companies and the biotech indices since the most recent sale of our preferred stock through the valuation date. A DLOM of the common stock was

then applied to arrive at an indication of value for our common stock. In addition, our board of directors determined that the fair value of our common stock remained at $9.99 per share through August 4, 2026.

Off-Balance Sheet Arrangements

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

Recent Accounting Pronouncements

See Note 2 to our audited consolidated financial statements included elsewhere in this prospectus for a description of recent accounting pronouncements applicable to our consolidated financial statements.

Emerging Growth Company and Smaller Reporting Company Status

We are an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the JOBS Act. As such, we are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including:

- being permitted to provide only two years of audited financial statements in addition to any required unaudited interim financial statements and a correspondingly reduced "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" disclosure in this prospectus;
- not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act;
- reduced disclosure obligations regarding executive compensation;
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved; and
- exemptions from compliance with the requirements of the Public Company Accounting Oversight Board regarding the communication of critical audit matters in the auditor's report on the financial statements.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that an emerging growth company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. We have elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, will adopt the new or revised standard whenever such adoption is required for private companies. We may also choose to early adopt any new or revised accounting standards whenever such early adoption is permitted. This may make comparison of our financial statements with another public company, which is neither an emerging growth company nor an emerging growth company that has opted out of using the extended transition period, difficult or impossible because of the potential differences in accounting standards used.

We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year following the fifth anniversary of the completion of this initial public offering, (ii) the last day of the fiscal year in which we have total annual gross revenue of at least $1.235 billion, (iii) the last day of the fiscal year in which we are deemed to be a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of the common stock held by non-affiliates exceeded

$700.0 million as of the last business day of the second fiscal quarter of such year, or (iv) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period.

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

BUSINESS

Overview

We are a clinical-stage biotechnology company developing the next generation of RNA interference ("RNAi") therapeutics designed to silence the expression of disease-relevant proteins, with the aim of delivering meaningful, durable benefits for patients in need. We believe our deep RNAi expertise and City Platform capabilities uniquely position us to achieve our goal of developing potentially best-in-class therapeutics. Our vision is to lead the next generation of RNAi therapeutics, and our mission is to improve patients' lives through breakthrough RNAi science as we build a biopharmaceutical company with enduring impact.

Our current pipeline is focused on indications with significant unmet medical need, including thromboembolic diseases, Stargardt disease type 1 ("Stargardt disease"), and anemia of chronic disease, where we believe disease biology supports RNAi-mediated knockdown as a differentiated approach compared to other modalities. Led by pioneers and experts in the field of RNAi, we have made rapid progress since founding our company in July 2023, discovering and advancing three programs into or toward the clinic in under three years, and our goal is for our City Platform to deliver one to two new investigational new drug application ("IND") or IND-equivalent applications per year.

Several members of our leadership team, including John Maraganore, Ph.D., our co-founder and Executive Chair and former founding Chief Executive Officer of Alnylam Pharmaceuticals, Inc. ("Alnylam"), and Tracy Zimmermann, Ph.D., our Chief Scientific Officer, played a foundational role in establishing RNAi therapeutics as a recognized treatment modality, as evidenced by multiple FDA-approved RNAi therapeutics that each of them worked in development on, and our President and Chief Executive Officer, Andrew (Andy) Orth, M.B.A., led the launch of multiple RNAi therapeutics, including the first approved RNAi therapy. The team at City has contributed to the discovery, development, or commercialization of seven of the eight currently U.S. Food and Drug Administration ("FDA")-approved RNAi therapeutics, and 75% of our research leaders have prior RNAi therapeutics discovery or development experience.

RNAi is a naturally occurring biological process that regulates or silences gene expression by "interfering" with messenger RNA ("mRNA") before it can be translated into protein. RNAi has inherent advantages as a therapeutic mechanism because it is a highly specific, potent, and durable approach to selectively silence the expression of disease-relevant proteins, including intracellular targets that are inaccessible to traditional small molecules and antibodies. In addition, RNAi therapeutics benefit from a simpler molecular architecture relative to biologics, consisting of short, chemically synthesized oligonucleotides rather than large, complex proteins, which enables more consistent and scalable manufacturing. RNAi has been established mechanistically and commercially, with the first of the eight approved RNAi therapeutics coming to market in 2018 and multiple products achieving substantial and growing commercial sales. With approximately 100 programs currently in clinical development, we believe RNAi therapeutics are poised to follow a growth trajectory analogous to that of monoclonal antibody therapeutics, a modality that was first approved by the FDA in the mid-1990s and has since expanded to more than 150 approved medicines today.

Currently approved RNAi therapeutics have focused on diseases that can be treated through delivery to liver cells. RNAi therapeutics typically consist of a short, chemically synthesized RNAi trigger molecule that initiates the RNAi process to silence a target gene. Current RNAi technologies predominantly utilize a N-acetylgalactosamine ("GalNAc") ligand to deliver this therapeutic trigger to liver cells, and this approach is well-established in preclinical and clinical studies, and in subsequent regulatory approvals. However, while the first generation of RNAi therapeutics has been successful, significant opportunities remain to further improve and extend the reach of RNAi therapeutics. To unlock the true potential of RNAi therapeutics, new technologies are needed to extend delivery beyond the liver to the more than 200 distinct cell types and thousands of diseases that remain beyond the reach of current RNAi approaches.

We are aiming to define the future of the field of RNAi therapeutics both in and beyond the liver. We believe the next major advances in RNAi will come from innovations in RNAi trigger molecule design, tissue-selective delivery, and target selection. We have developed our City Platform to integrate

these capabilities, engineering our RNAi therapeutic candidates for liver-directed applications while also extending the reach of the modality to extrahepatic tissues. Together with our deep RNAi expertise and disciplined execution, our City Platform positions us to develop RNAi therapeutics that have the potential to make a meaningful and durable difference for patients while supporting the advancement of our goal of filing one to two new IND or IND-equivalent applications per year. We are currently advancing our three lead product candidates for the treatment of diseases where there is significant unmet medical need.

CITY-FXI

Our most advanced product candidate, CITY-FXI, is a City-engineered GalNAc-conjugated small interfering RNA ("siRNA") therapeutic candidate targeting Factor XI ("FXI"). CITY-FXI illustrates our strategy of engineering highly potent and specific RNAi triggers directed at therapeutic targets supported by third-party human genetic evidence and clinical data. We are advancing CITY-FXI for the prevention of thromboembolic diseases based on its potential to reduce FXI activity and thereby prevent thromboembolic events while mitigating bleeding risk. However, CITY-FXI is in early clinical development, and we have not demonstrated that CITY-FXI is safe or effective, provides advantages over existing or investigational therapies or will receive regulatory approval. Thrombosis, the formation of harmful clots inside a blood vessel, is responsible for approximately one in four deaths worldwide. It is estimated that 40 to 50 million patients are at risk for thromboembolic diseases across indications, including atrial fibrillation ("AFib"), prior venous thromboembolism ("VTE"), peripheral artery disease, and coronary artery disease. The global anticoagulants market was estimated at approximately $37 billion in 2025 and is projected to reach approximately $56 billion by 2033, with FXI-targeted therapeutics representing the fastest-growing segment. Many patients remain untreated or undertreated due to bleeding concerns, contraindications, treatment burden and adherence challenges, underscoring the need for new treatment options despite the availability of direct oral anticoagulants ("DOACs"), which is the current standard of care for many thromboembolic diseases.

FXI is a therapeutic target supported by human genetic and clinical data demonstrating that it contributes to pathological thrombosis while playing a limited role in hemostasis, or normal blood clotting. CITY-FXI aims to prevent the expression of the protein itself, enabling a potentially complete and specific reduction of FXI function with a convenient biannual subcutaneous dosing profile. In preclinical studies with CITY-FXI, we observed 95% FXI knockdown with prolonged clotting time in non-human primates ("NHPs") and no observed off-target effects in cell-based assays. We initiated our Phase 1 clinical trial for CITY-FXI in 2026. Initial data from the first three cohorts of the single-ascending dose ("SAD") portion of our study in healthy volunteers showed that CITY-FXI was generally well-tolerated by participants with greater than 60% FXI knockdown observed following a single 15 mg subcutaneous dose, close to 80% FXI knockdown after a single 50 mg subcutaneous dose, and 85% knockdown three weeks after a single 150 mg subcutaneous dose. We expect to report additional data from the SAD portion of our Phase 1 study in late 2026. We intend to develop CITY-FXI for thromboembolic disease indications, including secondary stroke prevention, DOAC-ineligible AFib, extended secondary prophylaxis following VTE, and cancer-associated thrombosis, specifically in patients for whom DOACs are often not used because of heightened bleeding risk. We plan to first demonstrate clinical efficacy and safety in thrombotic disease through a Phase 2 trial in total knee arthroplasty ("TKA"), which we expect to initiate in mid-2027.

CITY-RBP4

Our second product candidate, CITY-RBP4, is a City-engineered GalNAc-conjugated siRNA therapeutic in development for the treatment of Stargardt disease, which is the most common inherited macular degenerative disease in children and young adults. There are currently no approved therapies for the disease. More than 30,000 people in the United States are diagnosed with Stargardt disease, and some studies suggest that the prevalence is even higher, indicating there could be a significant number of undiagnosed patients who emerge upon FDA approval of a treatment. Stargardt disease is debilitating, and many patients become legally blind in their late twenties. Patients face decades of progressive loss of central vision that renders daily activities, including reading, recognizing faces, and driving impossible.

Stargardt disease is caused by mutations in the *ABCA4* gene, which lead to the toxic accumulation of vitamin A byproducts in the eye. Retinol binding protein 4 ("RBP4") serves as the primary carrier of retinol, a form of vitamin A, that transports retinol from the liver to the eye. RBP4 is supported by clinical proof-of-mechanism data as an approach for the treatment of Stargardt disease. CITY-RBP4 targets RBP4 in the liver to reduce the toxic accumulation of vitamin A byproducts in the eye associated with disease progression.

In a preclinical mouse model of Stargardt disease, suppression of RBP4 with an siRNA targeting mouse RBP4 reduced A2E, a major toxic vitamin A byproduct, to normal levels at therapeutically relevant doses. Further, in a preclinical study in NHPs, following treatment with CITY-RBP4, we observed approximately 90% suppression of circulating vitamin A and RBP4 at dose levels of 3 mg/kg and 10 mg/kg. Additionally, CITY-RBP4's long half-life, as supported by pharmacodynamic modeling data, suggests the potential for quarterly to biannual subcutaneous dosing in humans. We filed an application in mid-2026 and plan to initiate a Phase 1 clinical trial for CITY-RBP4 in Stargardt disease in late 2026. We expect to report initial data from the Phase 1 clinical trial in mid-2027. We are also exploring CITY-RBP4 in adjacent indications, including Geographic Atrophy ("GA") secondary to age-related macular degeneration. We expect to initiate a Phase 2 clinical trial for CITY-RBP4 in GA in late 2027.

CITY-TFR2

Our third program, CITY-TFR2, is a City-engineered GalNAc-conjugated siRNA therapeutic in development for anemia of chronic disease, which accounts for up to 40% of all anemias and affects more than five million people in the United States. Current therapies, including erythropoiesis-stimulating agents ("ESAs") and hypoxia-inducible factor prolyl hydroxylase inhibitors ("HIF-PH inhibitors"), come with significant safety and efficacy limitations, and many patients become dependent on blood transfusions. Patients with anemia of chronic disease often experience debilitating fatigue, weakness, and reduced physical function that can significantly diminish their quality of life.

In inflammatory states associated with anemia of chronic disease, hepcidin, the hormone that controls systemic iron, becomes elevated, restricting iron availability and starving red blood cell production, thereby causing anemia. CITY-TFR2 targets transferrin receptor 2 ("TFR2"), a protein predominantly expressed in the liver that is critical in signaling pathways governing hepcidin production and is a compelling therapeutic target for anemia of chronic disease, supported by human genetic data. By reducing TFR2 expression, CITY-TFR2 is designed to lower hepcidin levels, restore iron availability, and address a central driver of anemia in patients with anemia of chronic disease.

In a preclinical study in NHPs, following treatment with CITY-TFR2, we observed approximately 90% TFR2 mRNA knockdown that led to an increase in serum iron and transferrin saturation, with durations of action that suggest the potential for quarterly to biannual subcutaneous dosing in humans. Our current plan is to initially focus CITY-TFR2 on anemia associated with myelofibrosis, as anemia is a major contributor to the clinical burden of the disease. In July 2026, we entered into an investigator-initiated trial ("IIT") study agreement with Overland Therapeutics (SH) Co. Ltd. ("Overland"), a biotechnology company that has operations in the United States and China, to support the conduct of an IIT for CITY-TFR2 in myelofibrosis-associated anemia. The IIT is expected to begin in China in late 2026, with a goal of demonstrating clinical proof-of-concept. Pursuant to the agreement, we will provide support for the IIT, supply CITY-TFR2 and fund covered study-related services and expenses, and Overland, as local study sponsor, will provide clinical and operational support in connection with the IIT, which will be conducted by investigators at participating medical institutions in China. While the IIT is not one of our traditional company-sponsored clinical trials, subject to applicable law and the applicable agreements with the investigators and medical institutions, data and results generated from the IIT will be provided to us. Although data from the IIT may support our development program for CITY-TFR2, including by providing initial clinical proof-of-concept data and informing our planned Phase 1/2 clinical trial, there can be no assurance that the FDA or comparable foreign regulatory authorities will accept such data in support of future regulatory submissions or marketing approval. We expect to report data from the IIT in mid-2027. We plan to file an IND or IND-equivalent application in late 2026 and initiate a Phase 1/2 study for CITY-TFR2 in early 2027. Beyond this initial indication, we see potential

to expand into other chronic conditions in which hepcidin levels drive anemia with severe adverse outcomes, such as chronic kidney disease and chronic inflammatory disorders, including inflammatory bowel disease.

Partnerships

We have formed strategic collaborations with Bausch + Lomb Ireland Limited ("Bausch + Lomb") and Biogen MA Inc. ("Biogen") to advance extrahepatic RNAi therapeutics for diseases of the eye and the central nervous system ("CNS"), respectively. We believe these partnerships reinforce the potential of and enhance our City Platform and expertise, as well as the potential of our next-generation RNAi trigger and delivery technologies. These arrangements also preserve our ability to pursue additional targets in the eye and CNS and retain the rights to any City Platform innovations developed from our work under the collaborations.

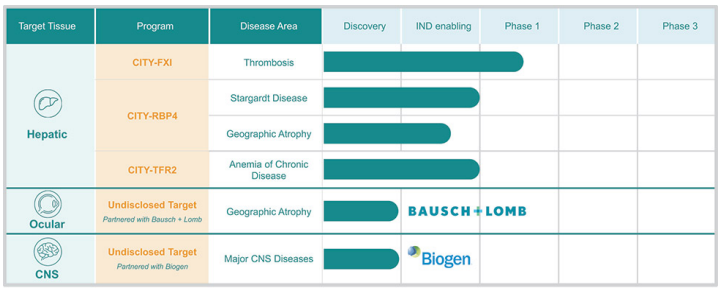
In July 2024, we established a strategic collaboration with Bausch + Lomb, which is focused on the development of a novel therapy for the treatment of retinal diseases, including GA. The collaboration leverages our next-generation ligand delivery technologies to enable intravitreal administration for the development of a novel RNAi therapy directed against a specific disease target in the retina. We plan to substantially complete the research and development under the B+L Agreement to enable Bausch + Lomb to select a development candidate by late 2026.

In May 2025, we established a strategic collaboration with Biogen that combines our RNAi trigger technology with Biogen's proprietary drug delivery technology to develop a novel systemic therapy for the treatment of certain CNS diseases. The collaboration initially focuses on a single target, with an option to designate one additional target for a separate collaboration and license agreement on substantially the same terms. We plan to substantially complete the research and development under the Biogen Agreement by late 2026 to enable Biogen to select a development candidate by late 2027.

Discovery Candidates

Beyond our lead programs, we are progressing discovery candidates designed to expand the reach of RNAi therapeutics into new tissues, targets, and disease areas. We have a fourth liver-directed program, CITY-L04, with an undisclosed target as well as two discovery-stage programs based on our proprietary cleavage-inducing tiny RNAs ("cityRNAs"), which comprise CITY-O02 and CITY-C02 and are focused on the treatment of ocular and CNS indications, respectively. Our cityRNA triggers are approximately 30% shorter and carry less negative charge than traditional siRNAs. These properties offer several advantages including improved tissue penetration and cellular uptake that may increase potency, specificity and durability, while enabling delivery beyond the liver to other tissue types.

The following table summarizes our current development stage programs:



IND: Investigational New Drug Application or equivalent

Platform

The City Platform is the engine behind every therapeutic we develop. Our City Platform is designed to integrate three core capabilities: RNAi trigger molecule engineering, novel delivery conjugates that allow for tissue selectivity, and target discovery and selection enabled by our insights into human genetics. Critical to every RNAi medicine is the trigger that harnesses the cellular RNAi machinery to silence a disease-relevant gene. We believe our expertise enables us to engineer the trigger molecule for high potency and specificity, and our novel cityRNA triggers are a differentiated approach to unlock extrahepatic delivery. Our proprietary artificial intelligence and machine learning ("AI/ML")-enabled trigger design capability uses a large RNAi activity dataset to predict high-potential trigger molecules in silico, accelerating design cycles from months to weeks. We conjugate our triggers with tissue-targeting ligands for precise delivery to cell types in and beyond the liver, starting with our proprietary LRP1 ligands, which are designed to enable delivery to ocular, CNS, and adipose tissues. Our pipeline programs are selected through a genetics-led target discovery and selection capability that leverages insights from human biology and other sources of substantiation, including clinical data. We use this capability to identify differentiated genetic targets where RNAi may be able to confer a durable therapeutic advantage. By uniting these capabilities in a single platform, we aim to systematically create and develop potentially best-in-class therapeutics that support our goal of filing one to two new IND or IND-equivalent applications per year. The filing of an IND or IND-equivalent application, or the clearance of any such application by the FDA or a comparable foreign regulatory authority, is not indicative of the future success of any of our product candidates and does not increase the likelihood that any of our product candidates will receive regulatory approval. Given our early stage of development, it will take many years before we complete clinical development of and receive regulatory approval for any of our product candidates, if ever.

Certain foundational elements of our City Platform are supported by intellectual property licensed from the Ohio State Innovation Foundation ("OSIF"). In October 2023, we entered into a license agreement (as amended, the "OSIF License Agreement") with OSIF, pursuant to which OSIF granted us an exclusive, royalty-bearing license to certain patent rights covering the originating technology underlying cityRNAs and certain other aspects of our technology platform.

Our Team and History

Defining the next generation of RNAi therapeutics requires a unique combination of scientific, clinical, and commercial expertise. We have assembled a team with deep experience across each of these disciplines. Collectively, our team at City has contributed to the discovery, development, or commercialization of seven of the eight currently FDA-approved RNAi therapeutics. The team at City has a proven track record of translating innovative science into transformative therapies. Members of our leadership team include:

- ***John Maraganore, Ph.D.,*** our Executive Chair, is one of our co-founders and is a pioneer in the field of RNAi therapeutics. Dr. Maraganore was the founding Chief Executive Officer and a Director of Alnylam, which he led for nearly 20 years. At Alnylam, Dr. Maraganore built and led the company from early platform research through global approval and commercialization of the first five RNAi therapeutics, including ONPATTRO, GIVLAARI, OXLUMO, LEQVIO, and AMVUTTRA. At Alnylam, he led the company's value creation strategy, raising over $7.5 billion in capital, forming over 20 major pharmaceutical alliances, and creating over $25 billion in market capitalization and one of the biotechnology industry's top companies. Prior to Alnylam, Dr. Maraganore held senior leadership roles at Millennium Pharmaceuticals and at Biogen, where he invented and led the discovery and development of ANGIOMAX (bivalirudin).
- ***Andrew (Andy) Orth, M.B.A.,*** our President and Chief Executive Officer, is a seasoned life sciences executive with more than 25 years of experience developing and commercializing novel medicines. Mr. Orth held multiple leadership roles at Alnylam, including Senior Vice President, U.S. Region, where he led Alnylam's U.S. business and launched ONPATTRO, the first-ever RNAi therapeutic, followed by the launches of GIVLAARI and OXLUMO. Most recently, Mr. Orth served as Chief Commercial Officer of Krystal Biotech, Inc., where he led corporate strategy and growth, and oversaw the global commercialization and launch of VYJUVEK.
- ***Keith Regnante, M.B.A.,*** our Chief Financial Officer, is a seasoned finance executive with more than 25 years of experience in the biopharmaceutical industry. Prior to joining us, Mr. Regnante served as Chief Financial Officer of Keros Therapeutics, Inc., where he led the finance organization through a period of significant growth and multiple strategic financings and transactions, including the company's initial public offering, two follow-on offerings and a global licensing agreement with Takeda Pharmaceutical Company Limited. Previously, Mr. Regnante served as Chief Financial Officer of Wave Life Sciences Ltd. Earlier in his career, he held finance leadership roles of increasing responsibility at Shire plc and Biogen Inc., spanning corporate finance, global research and development finance, investor relations and business development finance. At Biogen Inc., he contributed to several significant strategic transactions.
- ***Baisong Mei, M.D., Ph.D.,*** our Chief Medical Officer, is an experienced drug developer with over 25 years of industry experience and a strong track record of bringing innovative medicines through clinical development to regulatory approval. Dr. Mei played a critical leadership role in the development and regulatory approval of ALPROLIX, ELOCTATE, ALTUVIIIO, and the siRNA medicine QFITLIA. Dr. Mei is also a co-inventor of JIVI and ALTUVIIIO. Dr. Mei was previously Executive Vice President and Chief Medical Officer at Editas Medicine, Inc., Senior Global Project Head in rare disease and rare blood disorders at Sanofi S.A. (where he led Sanofi's collaboration with Alnylam on siRNA drug clinical development) and Therapeutic Area Head for Hematology Clinical Development at Biogen.
- ***Tracy Zimmermann, Ph.D.,*** our Chief Scientific Officer, has more than 25 years of experience in drug development and has deep expertise in developing nucleic acid-based therapeutic platforms, including RNAi-based therapies. Dr. Zimmermann spent 15 years at Alnylam, culminating in her role as Senior Director, Research, where she oversaw numerous research roles spanning RNAi platform enablement to early program development. Dr. Zimmermann was the lead author of a landmark 2006 study, published in *Nature*, demonstrating the first RNAi silencing in NHPs, which was cited over 1,400 times. Dr. Zimmermann was critical to the discovery of AMVUTTRA, including as a co-inventor, and served as its Program Lead through early clinical development. Dr. Zimmermann further contributed to the advancement of ONPATTRO and GIVLAARI. Dr. Zimmermann previously served as Chief Development Officer at Generation Bio Co., where she led the pharmacology, toxicology, and DMPK groups to advance the company's non-viral gene therapy platform from research into preclinical development for liver and extrahepatic indications.
- ***Sebastian Trousil, Ph.D.,*** our Chief Operating Officer, is one of our co-founders and a life sciences executive with extensive experience leading corporate operations, business

development, and finance. Dr. Trousil previously worked at RTW Investments LP and Flagship Pioneering, where he led multiple company creation efforts at both firms. During his time at RTW, Dr. Trousil served as Chief Operating Officer at Yarrow Biotechnology, Inc. Dr. Trousil is a co-founder of Harbinger Health, Inc., a liquid biopsy company for early cancer detection, which he led from initiation to early proof-of-concept.

From our inception in July 2023 through June 30, 2026, we have raised approximately $238.8 million in equity capital from a syndicate of premier life sciences investors, including ARCH Venture Partners, Fidelity Management & Research Company, Invus and Viking Global Investors. Prospective investors should not rely on the investment decisions of our existing investors, as these investors may have different risk tolerances and, in certain cases, have received their shares in private financings at prices lower than the price offered to the public in this offering. See the sections titled "*Certain Relationships and Related Person Transactions*" and "*Principal Stockholders*" for more information on prior purchases by and current holdings of certain of these investors.

Our Strategy

We are pioneering the next generation of RNAi therapeutics, leveraging our deep scientific expertise and proprietary platform with the goal of discovering and developing potentially best-in-class therapeutics. Our goal is to build a sustainable, fully integrated RNAi company capable of delivering transformative therapies across a broad range of diseases. As key elements of our strategy, we intend to:

- **Pioneer the future of RNAi trigger design and delivery.** We intend to lead the next wave of RNAi innovation by continually advancing how RNAi therapeutics are designed and delivered. Through innovations in trigger molecule design and delivery, including with our proprietary cityRNA triggers, we are pioneering new approaches that aim to improve potency and specificity. This will enable our reach of targets beyond the liver and expand the range of tissues and diseases addressable by RNAi therapeutics. Our City Platform is designed to integrate these capabilities with the aim of overcoming longstanding challenges in the field and further expand the reach and impact of RNAi therapeutics both in and beyond the liver.
- **Advance development candidates in high unmet medical need indications where RNAi offers meaningful advantages.** We are committed to progressing our pipeline across a range of indications of high unmet medical need where RNAi therapeutics have the potential to deliver meaningful benefit. By targeting diseases including thromboembolic diseases, Stargardt disease, and anemia of chronic diseases, we aim to maximize the therapeutic impact and commercial potential of our programs by addressing meaningful gaps in patient care. Our lead product candidate, CITY-FXI, is currently in a Phase 1 clinical trial, and we expect to report additional data from the SAD portion of the trial in late 2026. In addition, we filed an application for CITY-RBP4 in mid-2026 to initiate a Phase 1 clinical study in late 2026 to evaluate its safety, tolerability, pharmacokinetics, and pharmacodynamics in healthy volunteers and Stargardt patients. We also are continuing to advance CITY-TFR2 towards the clinic with an IIT expected to begin in China in late 2026, and a Phase 1/2 clinical study expected to begin in early 2027, in each case for the treatment of anemia associated with myelofibrosis.
- **Selectively pursue value-accretive partnerships to maximize the value of our portfolio.** While our primary focus is the rapid and successful advancement and commercialization of our wholly owned pipeline, we also plan to continue selectively engaging in strategic partnerships that enable us to maximize the value and reach of our portfolio. Our existing collaborations with Bausch + Lomb and Biogen exemplify this approach. We plan to continue to evaluate additional collaboration, licensing, and partnership opportunities that allow us to accelerate development, access complementary capabilities, and expand our reach. At the same time, we intend to retain development and commercial rights to programs we believe we can successfully commercialize on our own, if approved.
- **Bring exceptional depth of experience to accelerate and expand our pipeline.** Collectively, our team at City has contributed to the discovery, development, or commercialization of seven of the eight currently FDA-approved RNAi therapeutics, and 75% of our research leaders

have prior RNAi therapeutics discovery or development experience. Since founding our company in July 2023, we have advanced three programs into the clinic or toward planned clinical entry in late 2026. As a team of RNAi pioneers, we intend to advance the next generation of RNAi therapeutics. We combine deep expertise with the ambition to define the future of the field, and we believe our collective experience makes us uniquely positioned to navigate the scientific, regulatory, and commercial complexities of developing RNAi therapeutics efficiently and effectively. We believe our expertise and disciplined execution, coupled with our platform technology, will enable us to deliver one to two new IND or IND-equivalent application filings per year.

Our Pipeline and Programs

We are advancing a pipeline of RNAi therapeutics designed to achieve potent, specific, and durable suppression of disease-relevant hepatic and extrahepatic targets to address diseases with significant unmet medical needs. All of our product candidates are in early clinical or preclinical development. We have not demonstrated that any of our product candidates are safe or effective or provide advantages over existing or investigational therapies, and results of preclinical studies, including our NHP studies, may not be predictive of results in clinical trials. None of our product candidates has been approved by the FDA or any comparable foreign regulatory authority, and we may never obtain regulatory approval for any of our product candidates. Our three lead programs are City-engineered liver-directed siRNA therapeutic candidates in development for thromboembolic diseases, Stargardt disease, and anemia of chronic disease, where we believe disease biology supports RNAi-mediated knockdown as a differentiated approach compared to other modalities.

CITY-FXI

We intend to develop CITY-FXI for thromboembolic disease indications, including secondary stroke prevention, DOAC-ineligible AFib, extended secondary prophylaxis following VTE, and cancer-associated thrombosis, specifically in patients for whom DOACs are often not used because of heightened bleeding risk. The current standard of care for these diseases is anticoagulants, which represents a global market of approximately $37 billion in 2025 and is projected to reach approximately $56 billion by 2033. CITY-FXI is a City-engineered GalNAc-conjugated siRNA therapeutic candidate designed to suppress FXI — a therapeutic target supported by human genetic and clinical evidence demonstrating that it contributes to pathological thrombosis, or harmful blood clots, while playing a limited role in normal hemostasis. Initial data from the first three cohorts of the SAD portion of our ongoing Phase 1 study in healthy volunteers showed greater than 60% FXI knockdown following a single 15 mg subcutaneous dose, close to 80% FXI knockdown after a single 50 mg subcutaneous dose, and 85% FXI knockdown three weeks after a single 150 mg subcutaneous dose exceeding our preclinical predictions. CITY-FXI was generally well tolerated by participants dosed in these cohorts. We expect to report additional clinical data from the SAD portion of our Phase 1 study in late 2026 and expect to report data from Part A and Part B SAD cohorts in healthy volunteers and adults with inherited prothrombotic risk factors in mid-2027. Data from the Part C, the multiple-ascending dose (“MAD”) portion of the study in adult participants with history of prior provoked VTE with enduring risk factors, is expected in late 2027. We plan to first evaluate efficacy and safety in thrombotic disease through a Phase 2 trial in TKA, a clinical setting in which patients are at increased risk of postoperative thrombosis. We plan to initiate a Phase 2 trial in TKA in mid-2027 and report data from this trial in early 2028.

Overview of Thromboembolic Diseases

Thromboembolic diseases occur when a blood clot, or thrombus, forms inside veins and arteries. If the thrombus breaks free and travels through the bloodstream to block another vessel, or embolism, the resulting obstruction restricts normal blood flow, preventing vital organs from receiving sufficient oxygen, potentially causing tissue damage or life-threatening emergencies. It is important to distinguish between two related but distinct processes:

- Hemostasis is the normal physiological response to vascular injury, in which a coordinated sequence of events seals the breach in the vessel wall and arrests bleeding.

- Thrombosis is a pathological process in which clots form inappropriately within an intact blood vessel, obstructing blood flow and potentially causing injury to downstream tissues.

Thromboembolic diseases represent a major global health burden associated with significant morbidity and mortality through conditions including AFib, myocardial infarction, coronary artery disease, VTE, stroke, and peripheral artery disease, among others. Globally, an estimated 40 to 50 million patients worldwide suffer from these conditions, highlighting a large and underserved patient population.

Secondary strokes lead to devastating outcomes for patients and place a significant burden on the healthcare system, given the high rates of disability, long-term cognitive decline, and mortality. Approximately 795,000 ischemic strokes occur annually in the United States, creating a large population of patients in need of secondary stroke prevention strategies. Currently, approximately 185,000 of these strokes are recurrent and stroke-related costs exceed $56 billion between 2019 and 2020 alone, underscoring the significant clinical and economic value of preventing recurrent events.

AFib, the most common sustained cardiac arrhythmia, is projected to affect approximately 12.1 million people in the United States by 2030. AFib is a leading cause of cardioembolic stroke and is estimated to account for approximately one in seven strokes. Current guidelines recommend oral anticoagulation for AFib patients with a moderate to high stroke risk, a population estimated to encompass approximately 80% of the diagnosed AFib population, or approximately 9.7 million patients in the United States by 2030. Despite the guideline recommendations, many patients remain untreated or under-treated due to contraindications, bleeding concerns, treatment burden, or challenges with long-term adherence. Data from a study of approximately 437,000 patients across nearly 90 U.S. health systems indicate that approximately one in three patients with AFib and an elevated stroke risk score are not receiving any oral anticoagulation. We estimate that the population of DOAC-ineligible and underserved AFib patients in the United States is approximately 3.2 million.

Extended secondary prophylaxis following VTE represents another area of substantial unmet clinical need. VTE affects up to 900,000 people in the United States each year, contributing to an estimated 60,000 to 100,000 deaths annually. Patients who survive an initial VTE event face a meaningful risk of recurrence, with data indicating cumulative recurrence rates of approximately 20% to 30% at five years following a first unprovoked event. Current clinical guidelines recommend considering prolonged anticoagulation in patients for recurrent VTE following an initial event. Despite these recommendations, long-term adherence to currently available anticoagulants is frequently limited by concerns regarding bleeding risk and tolerability, leading many patients to discontinue therapy despite remaining at elevated risk for recurrent thromboembolic events. We estimate that approximately 250,000 to 350,000 patients in the United States remain untreated or under-treated despite having persistent risk factors.

Similarly, cancer-associated thrombosis represents a significant unmet medical need for patients who require antithrombotic protection but are particularly vulnerable to bleeding complications. Patients with active malignancies face an approximately four- to six-fold elevated risk of VTE compared to the general population, and VTE is recognized as the second leading cause of death in cancer patients. Approximately 20% of all VTE events occur in patients with cancer, yet currently available anticoagulants heighten the bleeding risk in oncology patients, particularly those with gastrointestinal or genitourinary cancers. We estimate that the population of cancer patients who require antithrombotic protection in the United States is approximately 200,000.

Current Standard of Care and Unmet Medical Need

There are multiple FDA-approved anticoagulants available for the prevention and treatment of certain types of thromboembolism; however, each class of anticoagulants shares a fundamental mechanistic limitation that constrains their clinical utility. DOACs, vitamin K antagonists, and low-molecular-weight heparins all act on factors within the coagulation cascade that are required for both pathological thrombosis and normal hemostasis. As a result, the anticoagulant activity of these agents is inherently coupled with an increase in bleeding risk.

Elevated bleeding risk precludes some patients from treatment with DOACs, the predominant anticoagulant class, including frail elderly patients, individuals with chronic kidney disease, patients with

active cancer, and those requiring concomitant antiplatelet therapy. Clinical guidelines recognize the challenges of balancing thrombotic risk and bleeding risk in these patient populations. Patient advocacy groups suggest that even seemingly minor adverse reactions, such as bruising or hematuria frequently lead to treatment discontinuation of DOACs. This dynamic may be further exacerbated by the long-term preventative nature of treatment, as the benefit of avoiding a clot is often not directly appreciated by patients in daily life. Additional limitations include dependence on renal clearance, incomplete reversibility, and the need for frequent dosing or laboratory monitoring, each of which can impair adherence. These constraints contribute to undertreatment and dose interruptions. In addition, current anticoagulants are often inadequate for managing thrombosis on artificial surfaces, such as heart valves and catheters, as they lack the mechanistic specificity to prevent device-induced clots without significantly increasing the risk of life-threatening systemic bleeding.

Consequently, there is an urgent and growing need for anticoagulation strategies that can address the bleeding risk associated with current standard of care. We believe that selective inhibition of FXI offers a genetically and clinically supported approach to address pathological thrombosis while preserving normal hemostasis, potentially uncoupling antithrombotic efficacy from bleeding risk and enabling a safer, more effective, and durable treatment option for patients, including those who may be ineligible for current anticoagulants.

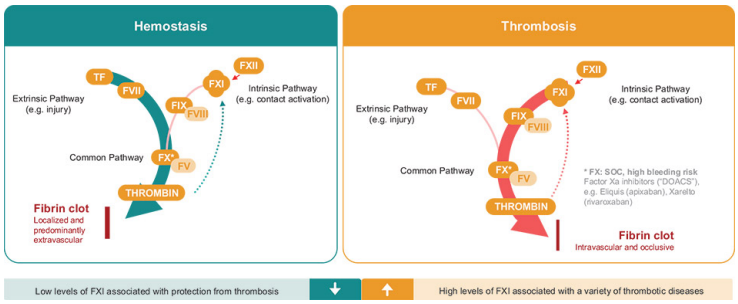
Mechanism of Action

The Coagulation Cascade and FXI Biology

FXI is a plasma serine protease that we believe is uniquely positioned in the coagulation cascade where it is key to pathological thrombosis while playing a limited role in normal hemostasis. This distinctive profile makes it an attractive therapeutic target for anticoagulation strategies that aim to prevent clot formation without significantly increasing bleeding risk.

The distinct biology of FXI within the coagulation cascade enables what we believe is a clinically meaningful uncoupling of the body's protective hemostatic response from the pathological thrombotic process. This separation has not been achieved with current anticoagulants. In healthy coagulation, FXI plays a supporting amplification role: it contributes to clot reinforcement and stability through slow, sustained thrombin generation but is largely dispensable for the rapid, robust hemostatic response required to seal vascular injury (as shown in Figure 1). In normal hemostasis, tissue factor is exposed after vessel injury, triggering strong thrombin generation through the extrinsic pathway, and FXI is not essential for initiating or sustaining clot formation. In contrast, thrombosis occurs primarily within intact vessels and often at sites of plaque rupture, where low levels of tissue factor generate insufficient thrombin to form a clot on their own. Under these conditions, FXI is required to amplify the thrombotic response through a positive feedback loop that drives pathological thrombus formation. Our rationale for selecting FXI as a therapeutic target is because of its central role in pathological thrombosis and limited role in hemostasis.

Figure 1: Differential role of FXI in hemostasis and thrombosis.



* FIX: Factor IX; FV: Factor V; FVII: Factor VII; FVIII: Factor VIII; FX, Factor X; and TF: Tissue factor.

* Source: Chan and Weitz, Arterioscler Thromb Vasc Biol. 2023.

This biological uncoupling of thrombosis from hemostasis is supported by human genetic and epidemiological evidence. Individuals with congenital FXI deficiency, including those with severe deficiency (less than 15% of normal activity), rarely experience spontaneous bleeding. When bleeding does occur, it is typically mild and provoked by trauma or surgical procedures, particularly in the oral cavity, nasal passages, and urinary tract. Epidemiological studies further link low FXI activity or antigen levels to reduced risk of thrombotic events. Patients with FXI activity below 50% of normal show significantly lower incidence of ischemic stroke, transient ischemic attack, myocardial infarction, and VTE compared to those with higher FXI levels. Conversely, elevated FXI levels have been associated with increased risk of thrombotic disorders including VTE and ischemic stroke. This natural occurrence in human physiology provides compelling evidence that suppression of FXI can reduce thrombotic risk without compromising baseline hemostatic function. Therapeutic intervention in the FXI pathway for management of thrombosis risk is supported by consistent clinical data, with several therapeutic strategies for FXI inhibition currently under clinical investigation.

DOACs target either Factor Xa or thrombin, which are central nodes of both the hemostatic and thrombosis pathways. By contrast, CITY-FXI targets an upstream amplification step in the coagulation cascade that plays a limited role in physiological hemostasis and is therefore intended to provide antithrombotic efficacy with a substantially safer bleeding profile. FXI-targeted inhibition may be suitable for prolonged use and in patients for whom current anticoagulants are contraindicated or associated with prohibitive bleeding risk, such as the elderly, those with chronic kidney disease, or oncology patients undergoing chemotherapy.

Novel Approaches

FXI inhibition has emerged as one of the most actively pursued areas of cardiovascular drug development, reflecting the scientific consensus that upstream targeting of the thrombosis coagulation pathway may enable the separation of antithrombotic efficacy from bleeding liability. There are currently no approved therapeutics that directly target FXI, however, several candidates are in clinical development, including milvexian, asundexian, abelacimab, REGN7508, REGN9933, and CTX-611. Phase 2 and Phase 3 data for other FXI agents have established proof-of-concept by reducing thrombotic risk without elevating bleeding risk.

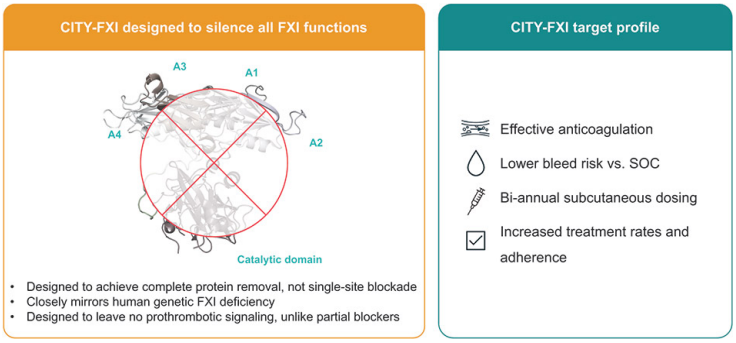
The majority of clinical-stage FXI inhibitors fall under the categories of small molecules and antibodies, though both are mechanistically distinct from FXI knockdown by RNAi and carry limitations compared to CITY-FXI's mechanism of action (as shown in Figure 2). CITY-FXI reduces hepatic production of FXI, resulting in depletion of the circulating FXI protein and broad suppression of FXI-mediated activity. By reducing the protein itself rather than inhibiting a specific functional site, this approach is designed to inhibit all known FXI functions and more closely recapitulates the protective phenotype observed in individuals with genetically reduced FXI levels.

In contrast, small-molecule FXI inhibitors generally target the catalytic activity of activated FXI (FXIa) and therefore inhibit only a subset of FXI-mediated biological functions. As a result, these agents may not fully block non-catalytic FXI interactions that contribute to thrombin generation and coagulation pathway amplification.

Similarly, anti-FXI antibodies are designed to inhibit specific FXI functions, including zymogen activation (the conversion of an inactive precursor into its active form) or enzymatic activity, depending on their binding site and mechanism of action. The degree of pathway inhibition varies based on target engagement and binding affinity, and is often relatively short lived.

We believe that the broader and more durable suppression of FXI achieved with CITY-FXI offers the potential for more complete pathway inhibition and favorable efficacy, safety, and dosing.

Figure 2: FXI knockdown is categorically different from small molecule and antibody inhibition.



SOC = Standard of Care

Overview of CITY-FXI

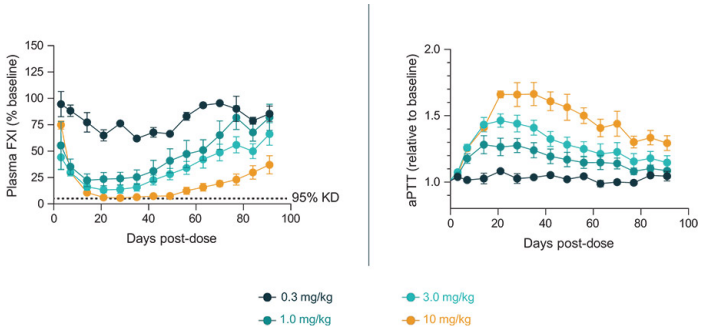
CITY-FXI is designed to specifically and effectively suppress FXI at the mRNA level, resulting in near-complete elimination of the protein. CITY-FXI is a City-engineered GalNAc-conjugated siRNA therapeutic candidate designed to selectively engage the asialoglycoprotein receptor ("ASGPR") on hepatocytes for intracellular delivery. Once internalized, CITY-FXI is designed to suppress hepatic expression of *F11* mRNA (the messenger RNA transcript encoding the FXI protein) via RNAi, resulting in highly selective and durable suppression of hepatic FXI synthesis.

The clinical viability of GalNAc-siRNA therapy has been demonstrated for several approved RNAi drugs, including LEQVIO, AMVUTTRA, GIVLAARI, OXLUMO, RIVFLOZA, QFITLIA, and TRYNGOLZA. CITY-FXI combines a genetically and clinically supported target with a potent and specific City-engineered RNAi trigger and a proven GalNAc delivery approach, with the aim of providing a potent, specific, and durable antithrombotic effect while preserving normal hemostatic function.

Preclinical Data

CITY-FXI has demonstrated compelling preclinical data supporting its development as an anticoagulation treatment targeting FXI. In NHPs, a single subcutaneous dose of CITY-FXI produced sustained, dose-dependent plasma FXI suppression exceeding 95% at 10 mg/kg, with maximal suppression typically occurring between Days 21 and 28. This translated into durable pharmacodynamic activity, as reflected by prolongation of activated partial thromboplastin time ("aPTT"), a measure of blood clotting time, consistent with the expected effect of FXI suppression on the thrombosis pathway. Maximum mean aPTT fold increases over baseline reached 1.28, 1.46, and 1.67 at 1 mg/kg, 3 mg/kg, and 10 mg/kg subcutaneous, respectively, with effects lasting up to 13 weeks (as shown in Figure 3).

Figure 3: 95% FXI knockdown in NHP with prolonged clotting time upon single subcutaneous dose of CITY-FXI.



In the preclinical studies of CITY-FXI, potent, selective, and durable RNAi-mediated suppression of hepatic *F11* mRNA expression and consequently circulating FXI protein was observed, as well as favorable pharmacokinetic and pharmacodynamic profiles, a lack of off-target transcriptional or genotoxic effects, and a generally well-tolerated preclinical profile that together established adequate safety margins and supported progression to first-in-human ("FIH") dosing.

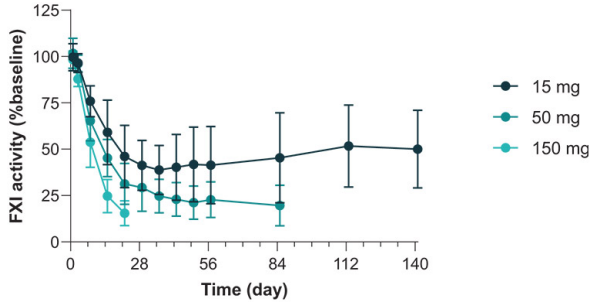
Clinical Data

The first clinical trial of CITY-FXI is a Phase 1, dose-ranging, proof-of-biology trial designed to evaluate the safety, pharmacokinetics, and pharmacodynamics in three populations:

- Part A: SAD trial in adult healthy volunteers, who will receive a single dose of CITY-FXI in one of three dose cohorts: 15 mg, 50 mg, or 150 mg. Each cohort will include eight participants; six will receive CITY-FXI and two will receive placebo.
- Part B: SAD trial in adult participants with inherited prothrombotic risk factors, such as Factor V Leiden ("FVL") or the prothrombin G20210A mutation, who will receive CITY-FXI in one of up to three cohorts at higher dose levels starting at 300 mg, and potentially increasing to 600 mg and 900 mg, subject to approval by a safety review committee. Each cohort will include eight participants; six will receive CITY-FXI and two will receive placebo.
- Part C: Adult participants with history of prior provoked VTE with enduring risk factors, with up to three MAD cohorts to be informed by results of Part B. Each cohort will include nine participants; six will receive CITY-FXI and three will receive placebo.

At the time of this report, participants in all three cohorts of Part A have been dosed. In each cohort, six healthy adults received a single subcutaneous dose of CITY-FXI (15 mg for cohort 1, 50 mg for cohort 2, and 150 mg for cohort 3). FXI knockdown at an average of 61% was observed in cohort 1, an average of 79% FXI knockdown was observed in cohort 2, and at three weeks after dosing, an average of 85% FXI knockdown was observed in cohort 3, demonstrating CITY-FXI's robust, dose-dependent response (as shown in Figure 4). CITY-FXI was generally well tolerated in all participants. No serious adverse events were observed and no stopping rules were met.

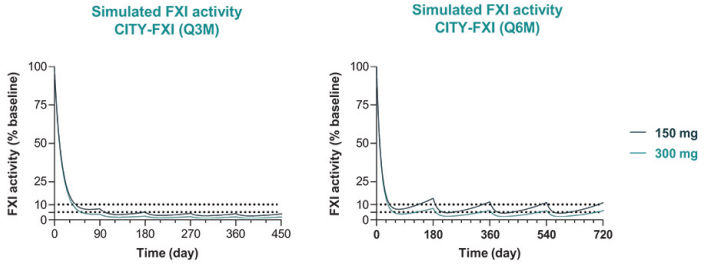
Figure 4: FXI knockdown in healthy volunteers upon single dose of CITY-FXI.



Data: Mean ± SD (n=6); as of August 14, 2026 data cutoff.

Further, durable FXI suppression is projected with repeated CITY-FXI dosing. We have generated a pharmacokinetic/pharmacodynamic ("PKPD") model based on the FXI suppression observed in NHPs following a single subcutaneous dose of CITY-FXI as well as the clinical experience of other GalNAc-conjugated siRNAs. Based on results from the Part A, cohort 1 and cohort 2 of the Phase 1 trial, our PKPD model projects sustained FXI suppression ≥98% with once every three months ("Q3M") dosing and ≥94% with once every six months ("Q6M") dosing, each at a dose of 300 mg (as shown in Figure 5).

Figure 5: Durable FXI suppression projected with repeat CITY-FXI dosing. Sustained ≥98% following Q3M and ≥94% following Q6M 300 mg of CITY-FXI based on initial clinical data.



Overall, in both the clinical and preclinical studies, we observed potent, selective, and durable RNAi-mediated suppression of FXI, favorable pharmacokinetic and pharmacodynamic profiles, lack of off-target transcriptional effects, and a generally well-tolerated profile. We expect to report additional data from the SAD portion of our Phase 1 trial in late 2026 and expect to report data from Part A and Part B SAD cohorts in healthy volunteers and adults with inherited prothrombotic risk factors in mid-2027. Data from the Part C, the MAD portion of the study in adult participants with history of prior provoked VTE with enduring risk factors, is expected in late 2027.

We plan to first evaluate efficacy and safety in thrombotic disease through a Phase 2 trial in TKA, a clinical setting in which patients are at increased risk of postoperative thrombosis. The data from this TKA study will be used to support initiation of Phase 3 studies. We plan to initiate the Phase 2 trial in TKA in mid-2027 and to report data from this study in early 2028.

Given the significant market opportunity for CITY-FXI, the large-scale Phase 3 clinical trials expected to be required for regulatory approval, and the substantial commercialization resources required to support a potential launch, we expect to seek a collaboration partner for the asset prior to initiating Phase 3 development.

CITY-RBP4

CITY-RBP4 is a City-engineered GalNAc-conjugated siRNA therapeutic candidate designed to target RBP4 mRNA for the treatment of retinal diseases characterized by the toxic accumulation of vitamin A byproducts. We are initially developing CITY-RBP4 to treat Stargardt disease, an inherited retinal disorder caused by mutations in the ABCA4 gene, which encodes the retinal-specific ATP-binding cassette transporter A4 responsible for clearing vitamin A byproducts from the retina. When ABCA4 function is impaired, these byproducts accumulate as toxic bisretinoids, leading to progressive retinal degeneration.

Inhibition of RBP4 is a clinically supported mechanism for Stargardt disease, and to our knowledge CITY-RBP4 is the first and only RNAi therapy in development aimed at inhibiting RBP4. By targeting and suppressing RBP4 mRNA in the liver, CITY-RBP4 aims to reduce vitamin A delivery to the eye and slow the progression of retinal damage associated with the disease. In a preclinical mouse model of Stargardt disease, the suppression of RBP4 through RNAi normalized ocular A2E, a major toxic vitamin A byproduct, to wild-type levels at therapeutically relevant doses. In a preclinical study in NHPs, following treatment with CITY-RBP4, we observed approximately 90% suppression of circulating vitamin A and RBP4 at dose levels of 3 mg/kg and 10 mg/kg.

We filed an application for CITY-RBP4 in mid-2026 to initiate a Phase 1 clinical study in late 2026 to evaluate its safety, tolerability, pharmacokinetics, and pharmacodynamics in healthy volunteers and Stargardt patients. We expect to report initial data from the Phase 1 clinical trial in mid-2027 and data from the SAD and MAD cohorts in healthy volunteers and Stargardt patients in early 2028. We are also exploring CITY-RBP4 in adjacent indications, including GA secondary to age-related macular degeneration. We expect to initiate a Phase 2 clinical trial for CITY-RBP4 in GA in late 2027.

Overview of Stargardt Disease Type 1

Stargardt disease is an inherited macular degenerative disease and the leading inherited cause of central vision loss in children and young adults. More than 30,000 people in the United States are diagnosed with Stargardt disease, and some studies suggest that the prevalence is even higher, indicating there could be a significant number of undiagnosed patients who emerge upon FDA approval of a treatment.

Stargardt disease is an autosomal recessive disorder caused by mutations in the *ABCA4* gene, causing progressive and irreversible vision loss usually beginning in early childhood, with the majority of patients becoming legally blind in their late twenties. Onset typically occurs during critical periods of educational, vocational, and psychosocial development and results in increasing limitations in mobility, reading, and facial recognition. The burden of disease extends well beyond visual impairment: Patient-reported rates of depression and anxiety significantly exceed those of the general population and vision loss frequently impairs personal autonomy, workforce participation, and long-term employment.

Current Standard of Care and Unmet Medical Need

There are no currently approved treatments for Stargardt disease. Consequently, patient management is limited to lifestyle counseling and vision rehabilitation. Diagnosis ranges from early childhood to early adulthood depending on the mutation in ABCA4 and is often delayed by several years relative to symptom onset. Patients are generally advised to avoid vitamin A supplementation, smoking, and excessive exposure to high-intensity light, but these measures do not prevent the progressive vision loss associated with the disease. There is an urgent need for disease-modifying therapeutics that address the underlying pathophysiology of Stargardt disease and slow the progression of irreversible retinal degeneration.

The Visual Cycle and Role of RBP4 in Stargardt Disease

In Stargardt disease, mutations in the ABCA4 gene impair the retina's ability to process and clear vitamin A-derived byproducts, resulting in the accumulation of toxic, vitamin A bisretinoids, including A2E, within retinal pigment epithelium cells. These compounds drive retinal degeneration through multiple mechanisms, including cellular toxicity, oxidative stress, and complement activation. Over time, this progressive accumulation of these toxic byproducts leads to retinal dysfunction, cell loss, and irreversible vision impairment.

CITY-RBP4 is designed to address this underlying pathology by reducing hepatic production of RBP4, the primary transporter responsible for delivering vitamin A from the liver to the eye. By reducing delivery of vitamin A to the retina, CITY-RBP4 aims to limit the formation and accumulation of toxic bisretinoids, preserve retinal cells, and slow the progression of vision loss associated with Stargardt disease.

Novel Approaches for Stargardt Disease

There are currently no approved therapies for Stargardt disease. Current RBP4 therapies in development include tinlarebant, which has demonstrated in clinical trials that reducing circulating RBP4 levels is a potentially effective strategy for treating Stargardt disease. Other non-RBP4 approaches in clinical development include vitamin A analogs and gene therapies.

The vitamin A analog gildeuretinol blocks the formation of toxic bisretinoids by diluting the body's natural vitamin A with deuterated vitamin A, and by doing so, slowing toxic bisretinoid aggregation. This approach requires clinical doses at levels well above the recommended daily dose of vitamin A, posing a risk for hypervitaminosis A.

Most gene therapies aim to restore *ABCA4* expression to suppress toxic metabolite accumulation; however, these approaches remain largely in early development, with unresolved questions regarding efficacy and long-term safety. In addition, they require highly invasive local injections that carry meaningful procedural risk.

Collectively, these limitations highlight the need for therapeutic approaches with the potential for durable efficacy, better safety, and more convenient dosing.

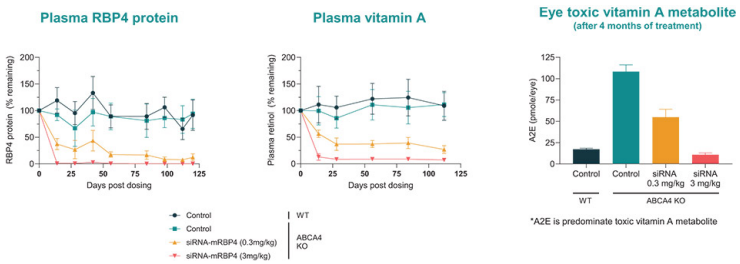
Overview of CITY-RBP4

CITY-RBP4 is a City-engineered GalNAc-conjugated siRNA therapeutic candidate specifically designed to suppress RBP4 mRNA in the liver, with the goal of reducing retinol delivery to the eye and decreasing the formation of toxic bisretinoids that lead to vision loss. We believe CITY-RBP4 combines a clinically supported mechanism with a potent and specific RNAi therapeutic. By degrading RBP4 mRNA before the protein is produced, CITY-RBP4 has the potential to achieve deeper and more durable knockdown than small molecules, which inhibit RBP4 only after the protein has been produced. This durable suppression avoids the peak-and-trough oscillation in drug exposure characteristic of small molecules, instead providing steadier, more favorable pharmacology that we believe will translate into greater patient benefit. Because CITY-RBP4 is designed to be delivered directly to the liver rather than being systemically distributed, it has the potential to reduce off-target effects in non-target tissues. In addition, unlike small molecules, which require consistent daily dosing, CITY-RBP4 is being studied as a potentially quarterly to biannual subcutaneous injection, which may improve adherence, particularly in adolescent patients during a critical time of disease progression.

Preclinical Data

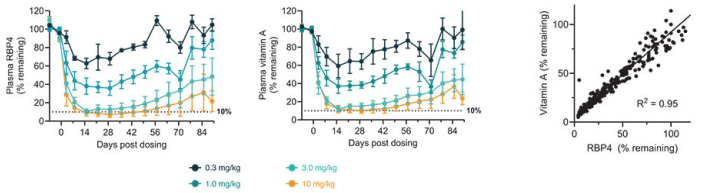
In the ABCA4$^{-/-}$ mouse model, a well-established preclinical model of Stargardt disease, treatment with an siRNA targeting mouse RBP4 dosed at 3 mg/kg showed reductions in plasma RBP4 and retinol levels, and levels of ocular A2E, the primary component of toxic vitamin A bisretinoids, were completely normalized at a therapeutically relevant dose. Furthermore, the reduction in A2E was dose-dependent, suggesting that the target engagement of RBP4 is specific (as shown in Figure 6).

Figure 6: siRNA-mediated RBP4 suppression observed to reduce circulating vitamin A and normalize ocular A2E in the ABCA4$^{-/-}$ Stargardt disease mouse model.



Sustained suppression of plasma RBP4 with correlating suppression of plasma vitamin A was also observed in NHPs. Maximum RBP4 and retinol suppression was observed between Day 15 and Day 29 following a single subcutaneous administration of CITY-RBP4, with suppression occurring in a dose-dependent manner across all dose levels. At the moderate dose of 3 mg/kg, we observed approximately 90% RBP4 and vitamin A suppression (as shown in Figure 7). Further, at the highest subcutaneous dose of 10 mg/kg, RBP4 and retinol mean suppression both exceeded 90%, peaking on Day 29, with substantial suppression up to Day 90. A near 1:1 correlation was observed between RBP4 and vitamin A levels in NHPs, supporting that RBP4 is the main carrier for vitamin A delivery to peripheral tissues, including the eye (as shown in Figure 7). This biological relationship provides strong mechanistic support for RBP4 as a compelling therapeutic target for reducing vitamin A delivery in Stargardt disease.

Figure 7: >90% RBP4 and vitamin A suppression observed with one subcutaneous dose of CITY-RBP4. Plasma RBP4 and vitamin A levels exhibit near 1:1 correlation in NHP.



In the preclinical studies of CITY-RBP4, potent, selective, and durable RNAi-mediated suppression of hepatic RBP4 mRNA was observed, with consequent suppression of circulating RBP4 protein and retinol. The data also showed favorable pharmacokinetic and pharmacodynamic profiles, and a lack of off-target transcriptional or genotoxic effects.

Clinical Development Plan

We filed an application for CITY-RBP4 in mid-2026 to initiate a Phase 1 clinical study in late 2026. We expect the Phase 1 study to be a multicenter, randomized, double-masked, placebo-controlled study evaluating the safety, tolerability, pharmacokinetics, and pharmacodynamics of CITY-RBP4 administered subcutaneously in healthy volunteers and patients diagnosed with Stargardt disease. We expect the study to consist of SAD and MAD cohorts. We expect to report initial data from the Phase 1 trial in mid-2027 and data from the SAD and MAD cohorts in healthy volunteers and Stargardt patients in early 2028.

Indications Beyond Stargardt disease — Geographic Atrophy (GA) Secondary to Age-Related Macular Degeneration

GA is an advanced form of age-related macular degeneration that shares pathology with Stargardt disease given the accumulation of toxic vitamin A bisretinoids in the eye. In GA, the progressive, irreversible loss of retinal cells leads to expanding patches of vision loss in the central retina. GA affects approximately one million people in the United States and approximately five million people globally, yet there are only two approved therapies, both of which require frequent and invasive intravitreal injections. Despite recent approvals, a significant unmet medical need persists, as available therapies achieve only a modest slowing of lesion growth. GA and Stargardt disease share a common pathway of vitamin A-induced retinal toxicity; therefore, we believe CITY-RBP4 has strong therapeutic potential to mitigate progressive retinal degeneration in both indications. To support this expansion, we are planning to evaluate CITY-RBP4 in healthy volunteers aged 60 or older, aligning with the typical age of GA onset. We expect to initiate a Phase 2 clinical trial for CITY-RBP4 in GA in late 2027.

CITY-TFR2

CITY-TFR2 is a City-engineered GalNAc-conjugated siRNA therapeutic candidate designed to reduce TFR2 expression, lower hepcidin levels, and restore iron availability for red blood cell production. We are initially developing CITY-TFR2 for myelofibrosis-associated anemia, where anemia is a major driver of morbidity and transfusion dependence, while also exploring broader applications in anemia associated with chronic kidney disease and chronic inflammatory disorders, including inflammatory bowel disease, where elevated hepcidin and iron restriction also contribute to disease burden. An IIT for CITY-TFR2 is expected to begin in China for the treatment of anemia in myelofibrosis patients in late 2026, with a goal of demonstrating clinical proof-of-concept. Under an IIT study agreement entered into in July 2026, we have contracted with Overland, a biotechnology company with operations in the United States and China, to provide clinical and operational support for the IIT. Pursuant to the agreement, we will provide support for the IIT, supply CITY-TFR2, and fund covered study-related services and expenses through milestone payments, and Overland, as local study sponsor, will provide clinical and operational support in connection with the IIT, including supporting site and investigator selection, administrative submissions, project management, insurance and clinical monitoring, and, subject to our prior approval, will enter into separate agreements with the applicable investigators, hospitals and research institutions in China. The IIT will be conducted by investigators at participating medical institutions, with clinical and operational support and coordination provided by Overland. While the IIT is not one of our traditional company-sponsored clinical trials, subject to applicable law and the applicable agreements with the investigators and medical institutions, data and results generated from the IIT will be provided to us. Although data from the IIT may support our development program for CITY-TFR2, including by providing initial clinical proof-of-concept data and informing our planned Phase 1/2 clinical trial, there can be no assurance that the FDA or other regulatory authorities will accept such data to support future regulatory submissions or marketing approval. We expect to report data from the IIT in mid-2027.

We also plan to file an IND or IND-equivalent application in late 2026, initiate a Phase 1/2 clinical trial for CITY-TFR2 in early 2027 and report data from the Phase 1/2 study in late 2027. Assuming positive results from the IIT and Phase 1/2 studies, we plan to initiate a Phase 2 study in an additional indication of anemia of chronic disease in early 2028.

Overview of Anemia of Chronic Disease

Anemia of chronic disease comprises up to 40% of all anemias and affects more than 5 million people in the United States. Anemia of chronic disease is a common complication of chronic inflammatory and malignant disorders, including myelofibrosis, chronic kidney disease, and inflammatory bowel disease, and is characterized by a shortage of healthy red blood cells, or erythrocytes, available to carry oxygen to the body's tissues, causing persistent fatigue, reduced exercise tolerance, and diminished quality of life. In many patients, anemia progresses to blood transfusion dependence, which is highly burdensome to patients and the healthcare system, and can lead to serious complications such as iron overload. Anemia can be broadly classified into two types: iron-depleted and iron-restricted anemia.

Unlike anemia caused by iron deficiency, where iron stores are depleted, iron-restricted anemia occurs when iron is present but unavailable for erythropoiesis, or red blood cell production. Anemia of chronic disease is a type of iron-restricted anemia. A hallmark of anemia of chronic disease is inflammation-driven iron restriction, where inflammatory cytokines, particularly interleukin-6 ("IL-6"), stimulate production of the hormone hepcidin, the central regulator of systemic iron homeostasis. Elevated hepcidin restricts the availability of iron needed for erythropoiesis by preventing iron release from cellular storage sites and limiting iron absorption. As a result, many patients develop iron-restricted anemia despite having adequate total body iron stores.

Although the mechanisms contributing to anemia differ among these conditions, elevated hepcidin and the resulting iron restriction contribute to anemia across these diseases. Therapies capable of restoring iron availability may have broad utility across multiple diseases associated with iron-restricted anemia.

Current Standard of Care and Unmet Medical Needs

Iron-restricted anemia remains a major source of morbidity across myelofibrosis, chronic kidney disease, and chronic inflammatory disorders, including inflammatory bowel disease, yet current treatment options are limited by modest efficacy, significant safety concerns, and heavy treatment burden.

We are initially developing CITY-TFR2 for anemia of myelofibrosis. Myelofibrosis is a rare, chronic cancer of the bone marrow in which the marrow becomes progressively scarred and loses its capacity to produce blood cells normally. There are an estimated 25,000 patients in the United States with myelofibrosis. Studies estimate that more than 85% of patients develop anemia. Treatment options include ESAs, immunomodulatory agents including thalidomide, lenalidomide, and pomalidomide (often administered with prednisone), and androgen therapies such as danazol. Responses to these therapies are often limited or transient, and many patients ultimately become dependent on blood transfusions. In addition, treatments indicated for myelofibrosis that modulate the JAK-STAT pathway are frequently associated with worsening anemia, resulting in treatment discontinuations or patients being treatment ineligible. Consequently, there is a significant unmet medical need for effective treatments of anemia in myelofibrosis.

CITY-TFR2 also has the potential to treat anemia in additional inflammatory indications, such as chronic kidney disease and chronic inflammatory disorders, including inflammatory bowel disease, by targeting the shared pathway of hepcidin-mediated iron restriction. Chronic kidney disease affects an estimated 37 million adults in the United States, approximately 4.8 million of whom develop anemia as kidney function declines. Current treatments include ESAs, HIF-PH inhibitors, intravenous iron and blood transfusions. ESAs and HIF-PH inhibitors are associated with significant safety concerns, including boxed warnings, and many patients continue to experience persistent anemia despite treatment.

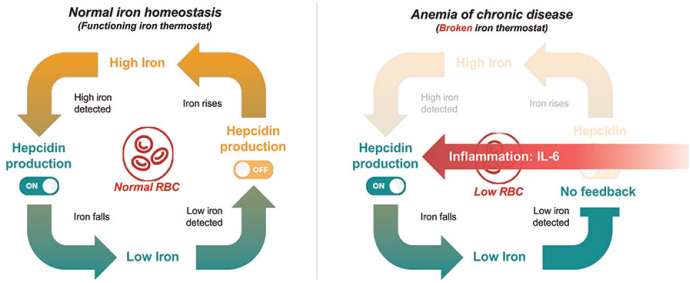
Inflammatory bowel disease, comprising Crohn's disease and ulcerative colitis, affects an estimated three million adults in the United States, with 21-27% of patients developing anemia over the course of their disease. While iron supplementation can address iron deficiency, inflammation-driven iron restriction may persist despite iron repletion, leaving many patients with ongoing anemia and limited treatment options.

By targeting hepcidin-mediated iron restriction, a shared driver of anemia across these diseases, CITY-TFR2 is designed to address a common mechanism underlying anemia of chronic disease and has the potential to be broadly applicable across multiple indications.

TFR2 Biology and the Role of Hepcidin in Iron Homeostasis

Under normal conditions, the liver-derived hormone hepcidin acts as a molecular thermostat, rising when iron levels are high to limit iron absorption, and falling when iron is low to mobilize stores for red blood cell production. In anemia of chronic disease, the overproduction of inflammatory cytokines including IL-6, triggers the overproduction of hepcidin, trapping iron inside cells (as shown in Figure 8). This creates a state of iron restriction, severely limiting red blood cell production despite abundant systemic iron stores.

Figure 8: Anemia of chronic disease short-circuits the body's iron thermostat: iron homeostasis requires feedback between liver and bloodstream through hepcidin.



TFR2 is a key iron-sensing protein expressed on liver cells that helps regulate hepcidin and systemic iron availability. TFR2 binds to holo-transferrin (iron-bound transferrin), thereby linking hepcidin production to transferrin saturation and systemic iron availability.

Human genetic evidence supports TFR2's role as a modulator of systemic iron balance, as complete loss-of-function mutations in TFR2 are associated with hereditary hemochromatosis type 3, a disorder characterized by reduced hepcidin levels and increased intestinal iron absorption, resulting in systemic iron overload. However, clinically meaningful manifestations typically emerge only after decades of elevated iron levels. Individuals with partial loss-of-function of TFR2 generally do not develop iron overload. These observations support the approach of pharmacologically modulating TFR2 to achieve controlled improvements in iron regulation.

CITY-TFR2 & Other Novel Approaches for Anemia of Chronic Disease

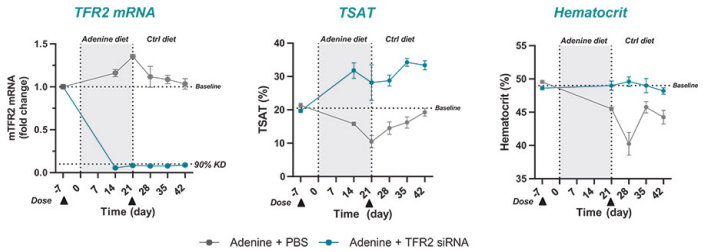
CITY-TFR2 is a TFR2-targeting, City-engineered GalNAc-conjugated siRNA therapeutic candidate designed to reduce the expression of TFR2, thereby lowering hepcidin levels and increasing iron availability for red blood cell production. Recent third-party clinical data with an anti-hemojuvelin ("HJV") antibody, selcodebart (DISC-0974), demonstrated meaningful increases in hemoglobin in patients with myelofibrosis-associated anemia, supporting the therapeutic potential of targeting the hepcidin pathway.

We believe TFR2 represents a particularly attractive target because it directly senses circulating iron through its interaction with holo-transferrin and therefore serves as a physiologically relevant regulator of hepcidin production. In contrast, HJV is more closely associated with sensing tissue and intracellular iron stores. We believe TFR2 also offers advantages in inflammatory disease settings. While HJV expression is downregulated by inflammation, potentially limiting the effectiveness of approaches that depend on HJV biology, TFR2 remains a relevant regulator of hepcidin in inflammatory states, which we believe makes it a compelling therapeutic target in diseases characterized by chronic inflammation. Based on the results of our preclinical studies, we believe CITY-TFR2 also has the potential to provide durable target suppression and infrequent dosing, which may translate into greater adherence and sustained benefit relative to antibody-based approaches.

Preclinical Data

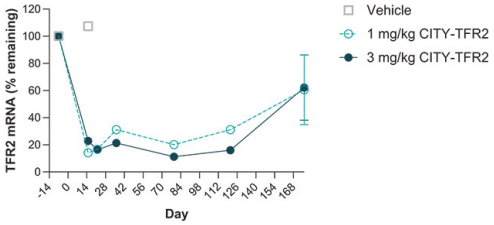
Preclinical findings support TFR2 as a promising therapeutic target for addressing the iron restriction and impaired red blood cell production that characterize anemia of chronic disease. In a diet-induced mouse model of anemia, suppression of TFR2 with an siRNA targeting mouse TFR2 resulted in an increase in transferrin saturation ("TSAT"), and mobilization of iron stores to the periphery, that resulted in maintenance of the hematocrit at normal baseline levels (as shown in Figure 9). In contrast, mice treated with saline showed a reduction in TSAT and a hematocrit lower than baseline.

Figure 9: Suppression of TFR2 in a mouse model of anemia maintained normal hematocrit.



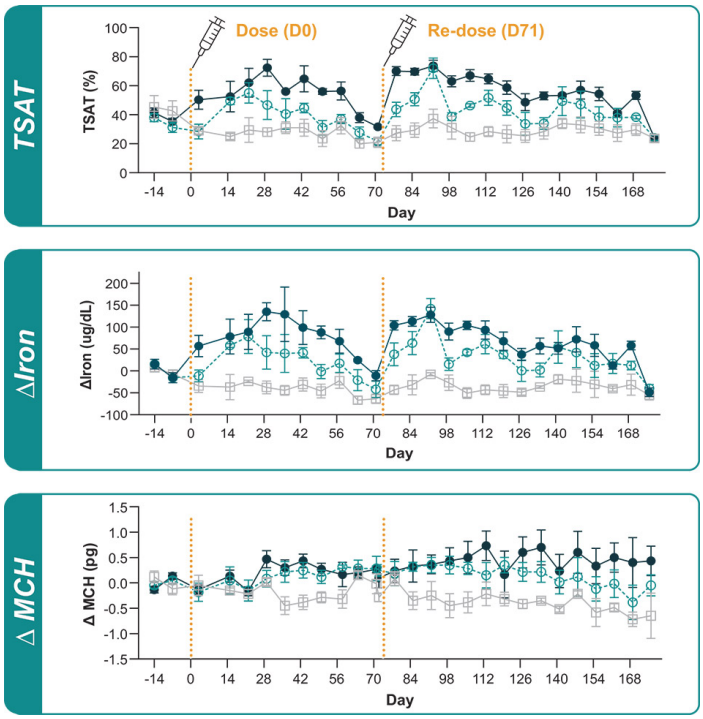
Following subcutaneous dosing of CITY-TFR2 in NHPs, we observed robust and sustained knockdown of TFR2 mRNA and concomitant increases in circulating iron, TSAT, and mean corpuscular hemoglobin ("MCH"), a measure of hemoglobin content per red blood cell. In a two-dose study in NHPs, subcutaneous dosing of CITY-TFR2 led to TFR2 mRNA reduction of over 80% after the first dose at dose levels of 1 mg/kg and 3 mg/kg and 89% after the second dose at 3 mg/kg (as shown in Figure 10). CITY-TFR2 also increased serum iron, TSAT, and MCH in NHPs after both doses with durability lasting 98 days after the second dose (as shown in Figure 11).

Figure 10: Robust and durable knockdown of TFR2 mRNA observed in NHPs.



* TFR2 mRNA measured from sparse sampling of liver biopsies taken across NHPs (N=1 per timepoint through day 121). All CITY-TFR2 animals had a liver biopsy on the last day (day 176).

Figure 11: Suppression of TFR2 increased serum iron, TSAT, and MCH in NHPs.



* All data represented as Mean ± SEM

In the preclinical studies of CITY-TFR2, a profile characterized by potent, selective, and sustained RNAi-mediated silencing of TFR2 mRNA was observed, as well as a subsequent increase in serum iron, TSAT, and MCH. These physiological responses were coupled with highly favorable pharmacokinetic and pharmacodynamic properties and negligible off-target transcriptional activity.

Clinical Development Plan

CITY-TFR2 is being developed as a potential treatment for multiple diseases characterized by inflammation-driven iron restricted anemia. We believe the underlying mechanism may be applicable across anemias in myelofibrosis, chronic kidney disease, and chronic inflammatory disorders, including inflammatory bowel disease. Our initial clinical focus is myelofibrosis, where anemia represents a major unmet medical need, and where hepcidin-mediated iron restriction is believed to play a significant role in disease burden and hepcidin downregulation has been clinically demonstrated as a potentially effective treatment approach. Myelofibrosis is associated with pro-inflammatory pathways that contribute

directly and indirectly to suppression of erythropoiesis while also interacting with systemic iron regulation. Therapeutic modulation of JAK-STAT signaling improves splenomegaly and symptoms in many myelofibrosis patients but is frequently associated with worsening anemia. In some patients, JAK inhibitors cannot be prescribed due to anemia. Consequently, there is a significant unmet medical need for therapies that restore effective red blood cell production, provide sustained improvements in hemoglobin, reduce transfusion burden, and more directly address the interplay between inflammation-driven iron restriction and red blood cell production.

We plan to initiate the clinical development of CITY-TFR2 through an IIT in China, with a goal of establishing clinical proof-of-concept. The IIT is expected to include SAD and MAD cohorts in patients with myelofibrosis associated anemia. We anticipate initiating the IIT in late 2026, with clinical data expected in mid-2027. In addition to the IIT, we plan to file an IND or IND-equivalent application for a Phase 1/2 clinical trial in late 2026, with trial initiation anticipated in early 2027. The Phase 1/2 trial, which will include healthy volunteers and patients with myelofibrosis-associated anemia, is expected to further evaluate and extend pharmacodynamic and tolerability data across a broader myelofibrosis patient population. We expect to report data from the Phase 1/2 study in late 2027. Data generated from the myelofibrosis program will help inform future development in additional indications. Assuming positive results from the IIT and Phase 1/2 studies, we plan to initiate a Phase 2 study in an additional indication of anemia of chronic disease in early 2028.

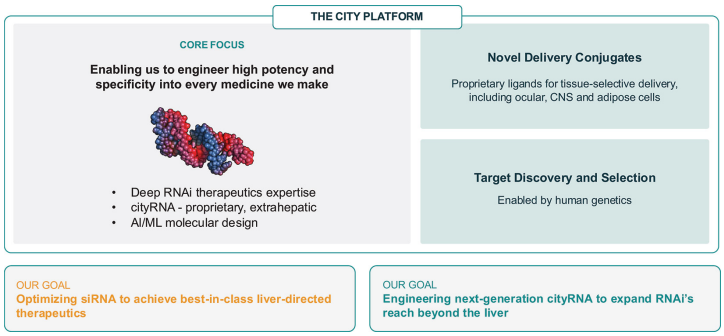
Our Approach: Potential for RNAi Therapeutics and Our Platform

The City Platform

The City Platform is the engine behind every therapeutic we develop. Our City Platform is designed to integrate three core capabilities: RNAi trigger engineering, novel delivery conjugates that allow for tissue selectivity, and target discovery and selection enabled by our insights into human genetics. Critical to every RNAi medicine is the trigger that harnesses the cellular RNAi machinery to silence a disease-relevant gene. We believe our expertise enables us to engineer the trigger for high potency and specificity, and our novel cityRNA triggers are a differentiated approach to unlock extrahepatic delivery. Our proprietary AI/ML-enabled trigger design capability uses a large RNAi activity dataset to predict high-potential trigger molecules in silico, accelerating design cycles from months to weeks. We conjugate our triggers with tissue-targeting ligands for precise delivery to cell types in and beyond the liver, starting with our proprietary LRP1 ligand, which is designed to enable delivery to ocular, CNS, and adipose tissues.

Our pipeline programs are selected through a genetics-led target discovery and selection capability that leverages proprietary insights from human biology and other sources of substantiation, including clinical data. We use this capability to identify differentiated genetic targets where RNAi may be able to confer a durable therapeutic advantage. By uniting these capabilities in a single platform, we aim to systematically create and develop potentially best-in-class therapeutics, supporting our goal of filing one to two new IND or IND-equivalent applications per year. The filing of an IND or IND-equivalent application, or the clearance of any such application by the FDA or a comparable foreign regulatory authority, is not indicative of the future success of any of our product candidates and does not increase the likelihood that any of our product candidates will receive regulatory approval. Given our early stage of development, it will take many years before we complete clinical development of and receive regulatory approval for any of our product candidates, if ever.

Figure 12: The City Platform: trigger engineering at the core, with novel delivery conjugates and target discovery in support.



Trigger Engineering

The RNAi trigger is fundamental to the performance of every RNAi medicine and is a double-stranded RNA that programs the cell's RNA induced silencing complex ("RISC") machinery to cleave a target mRNA and induce gene silencing. RNAi trigger engineering is the cornerstone of our City Platform, leveraging our deep expertise in canonical siRNA therapeutics, our next-generation cityRNA triggers, and our proprietary AI/ML molecular-design capability.

Our team of RNAi pioneers bring deep, first-hand expertise in the design, chemical modification, screening, and engineering of RNAi trigger molecules to create RNAi therapeutics. This expertise stems from our contributions to the discovery or development of seven of the eight currently approved RNAi therapeutics. We believe that our combined expertise positions us to directly compete in the large and growing market for liver-directed RNAi therapies with the goal of developing potentially best-in-class siRNAs. Our team's collective experience is also the foundation on which cityRNA trigger molecules are built — the same design ingenuity and discipline, chemistry and screening infrastructure, applied to a structurally new class of RNAi molecule.

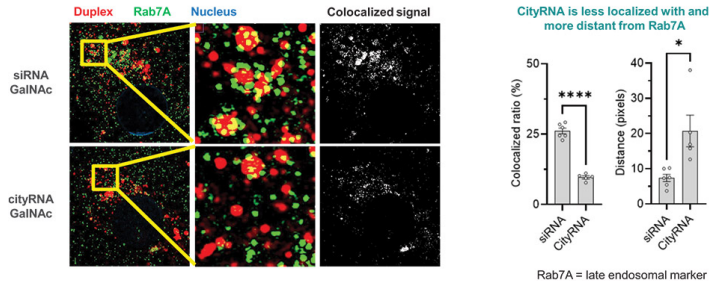
CityRNA — Our Proprietary Next-Generation RNAi Trigger

While there is substantial opportunity for liver-directed RNAi therapeutics, we believe the defining opportunity for the future of RNAi therapeutics lies beyond the liver. The liver is uniquely permissive to RNAi because hepatocytes abundantly express ASGPR, the receptor for the GalNAc ligand, and are readily accessible from the bloodstream through the liver's highly permeable vasculature. However, the majority of human diseases arise in tissues beyond the liver, which lack a comparably efficient uptake pathway and present far more restrictive extracellular, endothelial, and cellular barriers. In settings where delivery is constrained, the intrinsic molecular properties of the trigger become decisive in successfully developing an RNAi therapeutic. cityRNA is our proprietary trigger, engineered specifically to perform where conventional approaches fall short, enabling expansion to extrahepatic tissues. cityRNA trigger molecules are differentiated based on six advantages:

1. **Improved biophysical properties.** cityRNA trigger molecules are approximately 30% shorter than canonical siRNAs and carry roughly one-third fewer negative charges. These structural features are well suited to the biological realities of extrahepatic tissues, where molecular size and charge strongly influence interactions with plasma proteins, biological barriers, and cellular membranes that ultimately determine tissue distribution and cellular uptake. By reducing electrostatic repulsion at the cell surface, the lower charge density may also

enhance penetration through dense extracellular matrices. Most importantly, subcellular imaging suggests that cityRNAs are inherently more efficient at escaping endosomes, allowing more of the delivered payload to reach the cytoplasm and engage RISC (as shown in Figure 13). This increased efficiency could be transformative for extrahepatic RNAi, where delivery is inherently constrained and the therapeutic impact depends on extracting maximal activity from every molecule that enters the cell.

Figure 13. Reduced co-localization of cityRNA-GalNAc with the late endosomal marker Rab7A compared to siRNA-GalNAc.



2. **Dual AGO2 and AGO3 utilization and higher catalytic turnover.** cityRNA trigger molecules are designed to engage the RNAi-silencing machinery with increased productivity. Canonical siRNAs function almost exclusively through the Argonaute 2 (“AGO2”)-RISC. When loaded into Argonaute 3 (“AGO3”)-RISC, siRNA becomes trapped in a dead-end complex that sequesters payload without contributing to silencing. Owing to its shorter length, cityRNA can convert AGO3-RISC from a molecular sink into an active, cleavage-competent enzyme, productively engaging both AGO2 and AGO3 (as shown in Figure 14), which are both universally expressed in all tissues. To our knowledge, we are the only company developing RNAi triggers that productively engage both pathways. In addition, cityRNA-loaded RISC improves catalytic turnover by releasing cleaved mRNA more efficiently, freeing it for the next round of mRNA cleavage (as shown in Figure 15). In delivery-constrained settings, a molecule that achieves more productive silencing per copy delivered offers a meaningful practical advantage.

Figure 14. cityRNA enables productive cleavage in both AGO2-RISC and AGO3-RISC, whereas siRNA activity is largely restricted to AGO2-RISC.

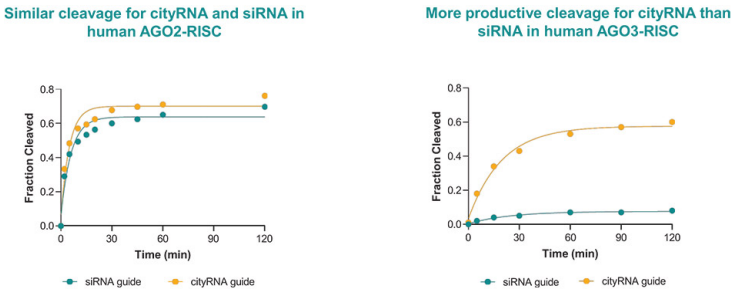
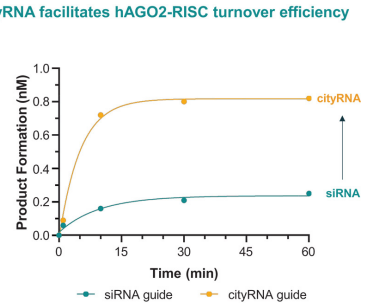


Figure 15. cityRNA enhances AGO2-RISC catalytic turnover, producing more rapid and greater cumulative product formation than siRNA.



3. **Improved specificity.** Head-to-head preclinical data generated to date demonstrate an equivalent or superior off-target profile for cityRNA trigger molecules versus canonical siRNA triggers bearing identical seed sequences, the region of the trigger responsible for target recognition. We believe that a cleaner off-target profile may widen the therapeutic index, a particularly valuable property in sensitive extrahepatic tissues such as the eye and CNS, where delivery efficiency is constrained and off-target activity could carry greater tolerability risk. cityRNA's intrinsic potency may lower the effective dose required for target knockdown, further reducing the off-target burden and potentially improving tolerability.

4. **Increased design flexibility.** cityRNA trigger molecule's distinct structural properties may expand the landscape of viable trigger sequences that can be explored for each target. This increases the probability of identifying triggers that are simultaneously potent, cross-species homologous, and differentiated. A larger proprietary trigger-sequence estate may allow us to identify RNAi trigger sequences that are novel to existing siRNA programs.

5. **Lower cost of goods and more scalable manufacturing.** cityRNA trigger molecule's approximately 30% shorter oligonucleotide length simplifies synthesis and reduces raw-material requirements relative to the canonical 21-25 nucleotide duplex. We believe this advantage will scale as our pipeline grows, as every new program benefits from the same structural efficiency, and a more accessible manufacturing profile supports a broader range of indications.

6. **Broad platform intellectual property.** We have built a multi-layered intellectual property estate designed to protect cityRNA and establish what we believe is a new generation of RNAi platform intellectual property. The estate combines internally created, City Therapeutics-owned intellectual property with exclusively in-licensed foundational intellectual property from OSIF capturing the originating science that "cleavage-inducing tiny" RNAs can activate Argonaute-mediated target cleavage through mechanisms distinct from longer canonical siRNAs. Building on that foundation, our internal research has developed broad intellectual property spanning cityRNA molecules' novel structural parameters, chemical modifications, AGO3 loading rules, tissue-specific delivery learnings, design rules and proprietary therapeutic trigger sequences. Together these are expected to create a robust intellectual property perimeter around the City Platform that strengthens and broadens with each scientific and clinical milestone we achieve.

AI/ML Based Molecular Design of Triggers

Trigger design has historically been time-consuming and driven by trial-and-error. We are changing that with a proprietary machine-learning capability designed to predict trigger potency in silico. From our

founding, we invested heavily in our data and have amassed a large, proprietary dataset of RNAi trigger measurements spanning a wide range of hepatic and extrahepatic targets. We use this dataset to train complementary models that identify the design rules driving activity and predict which novel candidates are most likely to succeed, letting us focus laboratory testing on our highest-potential trigger designs. This automated framework enables us to complete dozens of modeling experiments in days rather than the months such work previously required.

We believe this dataset and AI/ML capability is a valuable asset, and we will continue to build and invest in this important capability. Our initial modeling results already outperform the best published tools for predicting siRNA activity, and we are applying the same approach to cityRNAs, building a comprehensive sequence and chemistry activity dataset to identify the best cityRNA candidates. These models now drive a continuous design-build-test cycle in which each round of laboratory testing feeds the next round of predictions, so the capability improves with every experiment, compressing design timelines, expanding our proprietary RNAi trigger estate, and widening our lead in trigger engineering.

Novel Delivery Conjugates

Even the most potent RNAi trigger has little therapeutic value unless it can be delivered to the appropriate cells. Accordingly, our conjugate chemistry is designed to establish tissue selectivity and maximize productive intracellular delivery. For more than two decades, delivery, not target biology, has defined the therapeutic boundaries of RNAi. Whereas the liver is readily accessible, extrahepatic tissues present formidable extracellular, endothelial, and cellular barriers that demand tailored delivery strategies. Our approach uses established and proprietary ligands, such as GalNAc for hepatic delivery and LRP1 ligands for selected extrahepatic tissues, enabling efficient uptake and intracellular trafficking in the intended cell populations.

LRP1: reaching the eye, CNS, and adipose tissue. We have developed proprietary ligands for LRP1, the low-density lipoprotein receptor-related protein 1, a receptor we believe is particularly well suited to delivering RNAi triggers to ocular, CNS, and adipose tissues. LRP1 is highly expressed across multiple relevant cell populations, including neurons, astrocytes, oligodendrocyte precursor cells, and microglia; it undergoes rapid endocytosis and recycling, giving it high transport capacity; it is not known to trigger a signaling cascade upon ligand binding; and it is highly conserved across species, supporting translation from preclinical models to humans.

In experimental studies, LRP1 conjugates achieved broad retinal distribution and substantially deeper target knockdown than an unconjugated siRNA trigger following intravitreal administration, and drove robust gene silencing across multiple brain regions and in adipose tissue following intrathecal and systemic dosing, respectively (as shown in Figures 16 and 17). Together, these results support the potential for LRP1 as a high-capacity delivery system capable of enabling meaningful RNAi activity in tissues that have historically been difficult to access.

Figure 16. LRP1 ligand enabled broad retinal distribution and enhanced target mRNA knockdown compared to siRNA alone.

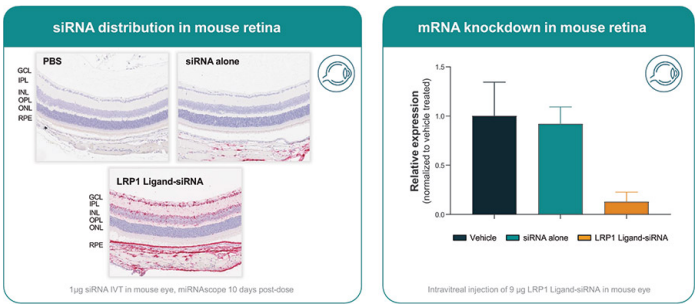
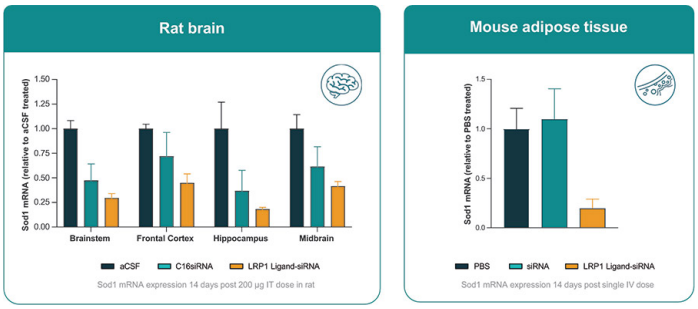


Figure 17. LRP1 ligand — conjugates drove robust gene silencing across multiple extrahepatic tissues, including brain and adipose.



Expanding the conjugate toolkit. Beyond GalNAc and LRP1, we are actively developing additional novel delivery technologies, including antibodies and peptides, to extend our City Platform into other tissues.

Target Discovery and Selection

Because RNAi can silence almost any gene, the choice of target is as consequential as the molecule that silences it, and we begin every program with biology supported by human genetic evidence. We have established a genetics capability that combines statistical genetic approaches with access to comprehensive human genetic data linked to electronic medical records of over 1 million participants to build confidence around any target that we nominate. Using this capability, we can perform analyses on any clinical or physical measurement to build genetic support for our targets, including evaluating target biology, assessing potential tolerability profiles, and informing our therapeutic hypotheses.

We have used this genetics-first discipline to design our pipeline: FXI, RBP4, and TFR2, are each genetically and/or clinically supported targets whose human biology pointed to potential tolerability and clinical activity. Paired with our RNAi trigger engineering and delivery conjugates, target discovery is designed to ensure that the therapeutics we build are aimed at biology supported by human genetic data.

Summary of the City Platform

The three capabilities of the City Platform reinforce one another: a genetically supported target, engineered into a potent and specific RNAi trigger molecule, delivered by a conjugate tuned to the tissue. Our goal is to build high potency and specificity into every development candidate we design through RNAi trigger engineering built upon our deep RNAi therapeutics expertise, our proprietary cityRNA capability, and AI/ML driven molecular design. We believe our City Platform is a durable competitive advantage that supports our goal of filing one to two new IND or IND-equivalent applications per year.

Licensing Agreements, Partnerships, Collaborations

Bausch + Lomb Research Collaboration and License Agreement

On July 8, 2024, we entered into a Research Collaboration and License Agreement (the "B+L Agreement") with Bausch + Lomb. Pursuant to the B+L Agreement, we (i) agreed to undertake a research program to discover a certain licensed product intended to enable Bausch + Lomb to develop and subsequently commercialize such licensed product in the field of ocular disease and (ii) granted

Bausch + Lomb an option to obtain an exclusive, worldwide license to certain of our intellectual property to develop, manufacture and commercialize a licensed product in the field of ocular disease.

Under the terms of the B+L Agreement, the parties agreed to collaborate pursuant to a research plan under which we will use certain commercially reasonable efforts to perform specified research activities overseen by a joint research committee.

Bausch + Lomb has an option, exercisable for a specified period, to select one or more development candidates for further development and commercialization. Upon exercise of such option and payment of a certain development candidate selection fee, we agreed to grant Bausch + Lomb an exclusive, worldwide, royalty-bearing sublicensable license under the licensed technology to exploit a licensed product in the field of ocular disease. Following such election, Bausch + Lomb will have, at its expense, sole responsibility for development, manufacturing, regulatory, and commercialization activities related to the licensed product, subject to the use of certain commercially reasonable efforts.

During the term of the B+L Agreement, subject to specified exceptions, we are restricted from researching, developing, manufacturing or commercializing competing products directed to the collaboration target and, for a limited period, certain related targets and retinal disease programs.

Pursuant to the B+L Agreement, we received a non-refundable, non-creditable upfront payment of $5.0 million from Bausch + Lomb in July 2024. Simultaneously upon execution of the B+L Agreement, we issued a convertible note to Bausch + Lomb in an aggregate amount of $10.0 million, bearing interest at 8.0% per annum and maturing on July 8, 2027, unless earlier converted, which subsequently converted into shares of our Series B-1 convertible preferred stock.

We are also eligible to receive (i) a certain development candidate selection fee and certain other development, regulatory, commercial and sales milestones, collectively up to an aggregate of $485.0 million, and (ii) tiered royalties ranging from mid-single digits to low teens on annual net sales of licensed products, subject to customary reductions and an overall royalty floor. Upon expiration of the applicable royalty term, the license becomes fully paid-up, perpetual, irrevocable, and royalty-free.

If the agreement expires or terminates following specified stages of the collaboration and we subsequently commercialize a licensed molecule generated under the research program, we are required to pay Bausch + Lomb a low-single digit royalty on future net sales of products containing such licensed molecule for a fixed royalty term following first commercial sale.

Unless earlier terminated, the B+L Agreement will remain in force until the earlier of (i) the occurrence of any development candidate selection termination condition, or (ii) the expiration of the last-to-expire royalty term for all licensed products. Bausch + Lomb may terminate for convenience, in its entirety or on a country-by-country basis, upon prior written notice. Either party may terminate for an uncured material breach, subject to a specified cure period.

Biogen Research Collaboration and License Agreement

On May 23, 2025, we entered into a Research Collaboration and License Agreement (the “Biogen Agreement”) with Biogen. Pursuant to the Biogen Agreement, we agreed to collaborate with Biogen to undertake a research plan to discover and develop certain RNAi triggers that inhibit the expression of a target protein and conjugates of such RNAi triggers.

During the research term, each party agreed to grant the other a non-exclusive, royalty-free, worldwide license under certain research technology solely to perform research activities under an agreed research plan. We also granted Biogen an exclusive, worldwide, royalty-bearing license to certain of our intellectual property, with the right to sublicense through multiple tiers, to develop, manufacture and commercialize licensed compounds and licensed products in the field in the territory. However, unless and until Biogen elects one or more development candidates for further development and commercialization, Biogen is restricted from clinically developing or commercializing licensed compounds or licensed products. Following a development candidate selection, Biogen has sole responsibility, at its expense, for development, manufacturing, regulatory, medical affairs, and commercialization activities related to such selected development candidate.

Under the terms of the Biogen Agreement, the parties agreed to conduct research pursuant to a research plan overseen by a joint research committee and joint research team, with Biogen holding final decision-making authority, subject to specified limitations.

We also granted Biogen an option, exercisable during a specified period and upon specified terms, to designate one additional target, subject to execution of a separate collaboration and license agreement on substantially the same terms and an additional payment of a specified option exercise fee.

Pursuant to the terms of the Biogen Agreement, we received a non-refundable, non-creditable upfront payment of $16.0 million from Biogen in June 2025. We are eligible to receive an additional non-refundable upfront payment upon the satisfaction of certain conditions relating to our upstream license with OSIF. We remain responsible for payments due under our upstream license agreements. Simultaneously with the execution of the Biogen Agreement, we issued a convertible note to Biogen in an aggregate principal amount of $30.0 million, bearing interest at 8.0% per annum and maturing on July 1, 2027.

We are also eligible to receive up to an aggregate of approximately $1.0 billion in potential research, development, commercial, and sales milestones, along with tiered royalties ranging from high-single digits to low teens on annual net sales of licensed products, subject to customary reductions and an overall royalty floor. Upon expiration of the applicable royalty term, the license becomes fully paid-up, perpetual, irrevocable and royalty-free.

Unless earlier terminated, the Biogen Agreement will continue on a licensed product-by-licensed product and country-by-country basis, until the latest of: (i) the date on which there is no royalty-bearing patent claim with respect to such licensed product in such country, (ii) the expiration of all regulatory exclusivity for such licensed product in such country, and (iii) a specified number of years after the first commercial sale of such licensed product in such country.

Either party may terminate the agreement if Biogen has not made at least one RNAi trigger candidate selection or the development candidate selection by the applicable outside date. Biogen may terminate the agreement for convenience, in its entirety or on a country-by-country and licensed product-by-licensed product basis, upon prior written notice. Either party may also terminate for an uncured material breach, subject to a specified cure period, which may be extended upon submission of a reasonable cure plan.

OSIF Exclusive License Agreement

On October 30, 2023, we entered into the OSIF License Agreement with OSIF. Under the OSIF License Agreement, we obtained an exclusive, royalty-bearing license to certain patent rights relating to the originating technology underlying cityRNAs and certain other aspects of our technology platform to make, have made, use, sell, and import certain licensed products, subject to certain terms and restrictions therein.

Upon execution of the OSIF License Agreement, we issued equity securities representing 5% of our fully diluted capitalization as of the effective date of the agreement and agreed to issue additional equity securities to OSIF from time to time as necessary to maintain OSIF's pro rata ownership percentage until we have received a specified amount of equity financing proceeds. The OSIF License Agreement has been subsequently amended to add additional patent rights and technology disclosures to the licensed intellectual property, and we reimbursed OSIF for patent prosecution costs associated with such additional patent rights.

Pursuant to the terms of the OSIF License Agreement, we are required to pay OSIF tiered low-single digit running royalties on annual net sales of each licensed product, subject to limited offsets for third-party royalty obligations. Following the first commercial sale of a licensed product in a major market, we are also required to pay OSIF a specified minimum annual royalty amount. In addition, we are required to pay OSIF a total of up to $4.2 million for each licensed product upon achievement of specified clinical development, regulatory approval, and commercial sales milestones.

The OSIF License Agreement also requires us to pay OSIF tiered percentages of certain non-royalty sublicense consideration, ranging from a low-twenties to mid-twenties percentage at earlier stages of development and a low-tens to mid-teens percentage at later stages of development, with the applicable percentage depending on the stage of development at which the sublicense is granted. In addition, we are responsible for certain patent costs incurred after the effective date of the agreement and annual maintenance fees.

Unless earlier terminated, the OSIF License Agreement continues until the expiration of the last to expire of the patent rights. At our option, we may terminate upon prior written notice. OSIF may terminate the agreement at its option immediately upon delivery of prior written notice if any specified events occur, including: (i) our failure to make any payment when due; (ii) breach of any non-payment provision; or (iii) if we or our affiliates or sublicensees initiate any proceeding to challenge the validity, enforceability, ownership, or scope of the patent rights, in each case pursuant to specified cure periods.

Intellectual Property

We view intellectual property as a core strategic asset and an important component of our strategy to lead the next generation of RNAi therapeutics. We have assembled, and continue to expand, a broad and multi-layered intellectual property portfolio covering our City Platform, which includes: our RNAi trigger toolkit (e.g., improved canonical siRNAs and our proprietary cityRNAs); delivery technologies; and RNAi chemistry. We have also assembled and continue to build a robust intellectual property portfolio covering our RNAi therapeutic candidates, and related methods of use. This portfolio is anchored in innovations generated through our internal research and development activities, including discoveries made by our scientists as they advance our City Platform and product candidates, together with intellectual property exclusively in-licensed from OSIF and other third-party rights that we may identify as strategically important to our business.

Our intellectual property strategy is deliberate, iterative, and designed to evolve as our City Platform and pipeline mature. We seek to capture and protect innovation generated within City across all stages of discovery and development, including improvements in RNAi trigger design, RNAi chemistry, extrahepatic delivery, RNAi therapeutic candidates, manufacturing processes, and other know-how that may be important to our current and future programs. At the same time, we actively monitor the external intellectual property landscape to identify third-party technologies, patent rights, know-how, and other assets that may be useful to complement, strengthen, or extend our proprietary position. Where appropriate, we may pursue licenses, collaborations, acquisitions, or other arrangements to access such third-party intellectual property.

Rather than relying on a single category of protection, we seek to build multiple, reinforcing layers of intellectual property around our City Platform and product candidates. These layers may include patent rights directed to RNAi trigger structures and designs; chemical modifications and motifs intended to improve potency, selectivity, durability, and tolerability; delivery ligands and conjugates designed for extrahepatic tissues; RNAi therapeutic compositions of matter and methods of treatment; manufacturing processes; and proprietary know-how and trade secrets arising from our internal research and development activities. We believe this layered approach is important to protecting the breadth of innovations underlying our City Platform and our current and future RNAi product candidates.

Our objective is to continue to expand, strengthen, and maintain our intellectual property portfolio as we advance our product candidates, further develop our City Platform, and generate additional data and technical insights. We intend to pursue patent protection in the United States and selected jurisdictions outside the United States where we believe protection is commercially important, and we may seek additional patent protection as we identify new platform innovations, including delivery technologies, chemistry motifs, RNAi trigger designs, and RNAi therapeutic candidates. We also rely, and expect to continue to rely, on trade secrets, confidential know-how, regulatory exclusivities, patent term extensions, and other available forms of intellectual property and regulatory protection to support our proprietary position.

As of September 17, 2026, our portfolio is comprised of 19 patent families, including at least 12 pending U.S. patent applications, four pending foreign patent applications in Europe and Hong Kong

and eight Patent Cooperation Treaty ("PCT") applications that have not yet entered national phase. Any patents issuing from or claiming priority to these applications, if granted, are expected to expire between 2041 and 2047, excluding any patent term adjustment or extension and assuming payment of all required maintenance, renewal, and annuity fees.

In addition to patent rights, we rely on trade secrets and proprietary know-how relating to our City Platform, candidate-selection processes, manufacturing methods, screening approaches and other aspects of our research and development operations. We expect trade secrets and know-how to remain important.

City Platform Intellectual Property

Our City Platform-related intellectual property spans three principal categories: RNAi triggers, including improved canonical siRNA and cityRNA triggers; chemistry and related structural optimizations; and delivery molecules, including ligands designed to deliver to the eye, CNS and adipose tissue. Our platform portfolio includes owned and exclusively in-licensed patent rights and know-how intended to protect compositions, methods of design, methods of use and other innovations relevant to the next generation RNAi triggers and extrahepatic delivery molecules.

Our RNAi trigger-related portfolio is intended to protect both next generation canonical siRNAs and cityRNAs. Our chemistry-related intellectual property is intended to protect proprietary motifs and other design features relevant to City-engineered RNAi trigger and intended to enhance potency, selectivity, durability or tissue reach. Our delivery-related intellectual property is intended to protect ligand compositions and related methods directed to extrahepatic delivery, including technologies relevant to the delivery to the liver, eye, CNS and adipose tissue. Taken together, we believe these rights support a layered protection strategy around the modular architecture of our City Platform.

The City Platform-related intellectual property relates broadly to our existing RNAi therapeutic candidates and those we may develop in the future and the indications we target or may target in the future. We in-licensed patent rights related to cityRNAs from OSIF. As of September 17, 2026, we in-licensed four non-provisional U.S. patent applications, two pending PCT patent applications, and four foreign patent applications in Europe and Hong Kong. We expect patents issuing from or claiming priority to these pending applications, if any, to expire between 2041 and 2046, excluding any patent term adjustments or extensions.

We have also filed one City owned pending U.S. provisional application and one City owned PCT International Patent Application directed to compositions and methods relating to City's improvements to cityRNAs and two City owned U.S. provisional applications directed to compositions and methods directed to City's improvements to canonical siRNAs. We expect patents issuing from or claiming priority to these pending applications, if any, to expire between 2046 and 2047, excluding any patent term adjustments or extensions.

In addition, we own one PCT patent application and one pending U.S. provisional application directed to LRP1 targeting ligands for extrahepatic delivery. We expect patents issuing from or claiming priority to these pending applications, if any, to expire in 2046, excluding any patent term adjustments, or extensions.

Therapeutic/Candidate Intellectual Property

Our RNAi candidate-related patent filings are intended to protect RNAi compositions, formulations, methods of use, and related inventions directed to our current and future therapeutic programs.

CITY-FXI

For CITY-FXI, our filings are intended to protect siRNA candidates directed to reducing expression of FXI in thrombotic disease, including relevant compositions and therapeutic uses. As of September 17, 2026, we own one pending U.S. provisional patent application and one PCT application related to

siRNA compositions of matter and methods of treatment. We expect patents issuing from these pending patent applications, if any, to expire between 2045 and 2047, excluding any patent term adjustments or extensions.

CITY-RBP4

For CITY-RBP4, our filings are intended to protect siRNA candidates directed to RBP4 inhibition for the treatment of ocular disease, including Stargardt disease and other retinal indications. As of September 17, 2026, we owned one PCT application and one U.S. provisional patent application related to siRNA compositions of matter and methods of treating ocular disease. We expect patents issuing from or claiming priority to these pending patent applications, if any, to expire between 2046 and 2047, excluding any patent term adjustments or extensions.

CITY-TFR2

For CITY-TFR2, our filings are intended to protect siRNA candidates directed to reducing expression of TFR2 for anemia indications, including myelofibrosis-associated anemia and other chronic inflammatory conditions we may pursue. As of September 17, 2026, we own one PCT application related to siRNA compositions of matter and methods of treating anemia of chronic disease. We expect patents issuing from or claiming priority to this application, if any, to expire in 2046, excluding any patent term adjustments or extensions.

Other Disease Areas

In addition to our disease programs listed above, we also have patent applications relating to novel RNAi therapeutic candidates and their use for treating additional disorders that would benefit from inhibition. As of September 17, 2026, we own patent applications directed to RNAi compositions and methods of treatment for neurological and ocular disorders. We expect patents issuing from or claiming priority to these pending applications, if any, to expire between 2046 and 2047 excluding any patent term adjustments or extensions.

We also file, and expect to continue to file, patent applications directed to discovery-stage programs and other disease areas that may benefit from our platform technologies. Our objective is to maintain a portfolio that protects both current clinical-stage candidates and future programs arising from our City Platform.

Manufacturing and Supply

We do not own or operate, and currently have no plans to establish, any manufacturing facilities. We have engaged, and expect to continue to rely on, well-established third-party contract development and manufacturing organizations (“CDMOs”) to supply our product candidates for use in our preclinical studies and clinical trials. Because we rely on CDMOs, we employ personnel with extensive technical, manufacturing, analytical, and quality experience to oversee contract manufacturing and testing activities, and to compile manufacturing and quality information for our regulatory submissions. We believe our CDMOs have the scale, systems, and experience to supply our currently planned clinical trials.

Additionally, we intend to rely on third-party CDMOs for later-stage development and commercial manufacturing, if our product candidates receive marketing approval. As our lead product candidates advance through clinical development, we expect to enter into longer-term commercial supply agreements to fulfill and secure our production needs. While the drug substances used in our product candidates are manufactured by more than one supplier, the number of manufacturers is limited. In the event it is necessary or advisable to acquire supplies from an alternative supplier, we might not be able to obtain them on commercially reasonable terms, if at all. It could also require significant time and expense to redesign our manufacturing processes to work with another company. If we need to change manufacturers during the clinical or development stage for product candidates or after commercialization for our product candidates, if approved, the FDA, European Medicines Agency (“EMA”) and corresponding foreign regulatory agencies must approve these new manufacturers in advance, which will involve testing

and additional inspections to ensure compliance with FDA regulations and standards and may require significant lead times and delay. Reliance on third-party CDMOs may expose us to different risks than if we were to manufacture and develop product candidates ourselves. Should any of these manufacturers become unavailable to us for any reason, we believe that there are a number of potential replacements, although we may incur some delay in identifying and qualifying such replacements.

To adequately meet our projected commercial manufacturing needs, our CDMOs will need to scale-up production, or we will need to secure additional suppliers. Processes for producing drug substances and drug product for commercial supply are currently being developed, with the goal of achieving reliable, reproducible, and cost-effective production. We believe the drug substance and drug product processes for our current product candidates can be appropriately scaled.

Commercialization

Given our stage of development, we have not yet established a commercial organization or distribution capabilities. We plan to independently commercialize our products, if approved, in the United States and other regions where we determine it makes commercial sense to do so. At the appropriate time, we will recruit a sales force and a medical affairs team and take other steps to establish the necessary commercial infrastructure. However, as product candidates advance through our pipeline, our plans may change.

Competition

The biopharmaceutical industry is characterized by rapidly advancing technologies, intense competition, and a strong emphasis on proprietary and novel products and product candidates. We face a broad spectrum of current and potential competitors, ranging from very large, global pharmaceutical companies with significant resources to other biotechnology companies with resources and expertise comparable to our own. We believe that for most or all of our drug development programs, there will be one or more competing programs in other companies. In many cases, the companies with competing programs will have access to greater resources and expertise than we do and may be more advanced.

As RNAi therapeutics expand beyond rare diseases to other more common conditions, an increasing number of other companies are investing in and developing RNAi therapeutic products, as well as potentially new approaches that may result in more rapid development of RNAi therapeutics or more effective technologies for RNAi drug development or delivery.

Companies that have developed, or are developing, siRNA therapeutics include ADARx Pharmaceuticals, Inc., Alnylam, Amgen Inc., Argo Biopharmaceutical Co., Ltd., Aro Biotherapeutics Co., Arrowhead Pharmaceuticals, Inc., AstraZeneca plc, Dyne Therapeutics, Inc., Eli Lilly and Company, GlaxoSmithKline plc, Ionis Pharmaceuticals, Inc., Novartis AG, Novo Nordisk A/S, SanegeneBio Inc., Sarepta Therapeutics, Inc., Silence Therapeutics plc, and Sirius Therapeutics, Inc.

Our competitors have developed, are developing or may develop product candidates and products competitive with CITY-FXI, CITY-RBP4, and CITY-TFR2 and our other programs and product candidates. CITY-FXI, CITY-RBP4, and CITY-TFR2 and any future product candidates that we successfully develop and commercialize will compete with existing therapies and new therapies that may become available in the future.

Our lead product candidate, CITY-FXI, is being developed for thromboembolic diseases through silencing of coagulation FXI. Multiple therapeutic approaches targeting FXI are currently in development, including small molecules, monoclonal antibodies, and RNAi therapeutics. Companies active in this field include ADARx Pharmaceuticals, Inc., Bayer AG, Bristol-Myers Squibb Company, CRISPR Therapeutics AG (in partnership with Sirius Therapeutics, Inc.), Johnson & Johnson, Novartis AG, Regeneron Pharmaceuticals, Inc., and others.

CITY-RBP4 is being developed for Stargardt disease, for which current treatment options are limited. Numerous companies are developing potential therapies for Stargardt disease using a variety

of approaches, including visual cycle modulation, gene therapy, gene editing, and RNA-based therapeutics. Companies active in this area include Alkeus Pharmaceuticals, Inc., Belite Bio, Inc. and others.

CITY-TFR2 is being developed for anemia of chronic disease. Therapeutic approaches under development or in clinical use include hepcidin-targeted agents, including a monoclonal antibody from Disc Medicine, Inc., erythropoiesis-stimulating agents, hypoxia-inducible factor prolyl hydroxylase inhibitors, iron replacement therapies, and other approaches intended to improve iron availability or erythropoiesis.

Our competitors include larger and better-funded global pharmaceutical and biotechnology companies. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. Moreover, we may also compete with universities, governmental agencies, and other public and private research institutions that may be active in research in our target indications and could be in direct competition with us. We also compete with these organizations to recruit management, scientists, and clinical development personnel, and our inability to compete successfully could negatively affect our level of expertise and our ability to execute our business plan. We will also face competition in establishing clinical trial sites and enrolling subjects for clinical trials and in identifying and in-licensing intellectual property related to new product candidates, as well as entering into partnerships, collaborations, and license arrangements.

If our product candidates do not offer advantages over available products, we may not be able to successfully compete against current and future competitors. The key factors affecting the success of our products, if approved, are likely to be their potential efficacy, safety, convenience, and availability of reimbursement.

Government Regulation

Government authorities in the United States, at the federal, state, and local level, and in other countries and jurisdictions, including the European Union (“EU”), extensively regulate, among other things, the research, development, testing, manufacturing, quality control, safety, effectiveness, approval, packaging, storage, recordkeeping, labeling, advertising, promotion, distribution, marketing, post-approval monitoring and reporting, and import and export of pharmaceutical products. The processes for obtaining regulatory approvals in the United States and in foreign countries and jurisdictions, along with subsequent compliance with applicable statutes and regulations, require the expenditure of substantial time and financial resources. Even after obtaining initial marketing approval, a product and its manufacturer remain subject to extensive, continuing regulatory requirements, including with respect to manufacturing, quality control, adverse event reporting, advertising and promotion and periodic inspections by regulatory authorities.

Review and Approval of Drugs in the United States

In the United States, the FDA regulates drugs under the U.S. Federal Food, Drug, and Cosmetic Act (“FDCA”), and its implementing regulations. The failure to comply with applicable U.S. requirements at any time during the product development process, approval process, or after approval may subject an applicant and/or sponsor to a variety of administrative or judicial sanctions, including refusal by the FDA to approve pending applications, withdrawal of an approval, imposition of a clinical hold, issuance of warning letters, FDA Form 483s, and other types of letters, product seizures, total or partial suspension of production or distribution, injunctions, fines, product recalls, and other post-market actions, refusals of government contracts, restitution, disgorgement of profits, or civil or criminal investigations, and penalties brought by the FDA and the U.S. Department of Justice or other governmental entities.

An applicant seeking approval to market and distribute a new drug product in the United States must typically undertake the following:

- completion of nonclinical, or preclinical, laboratory tests, animal studies, and formulation studies in compliance with the FDA’s good laboratory practice (“GLP”) regulations;

- submission to the FDA of an IND, which must take effect before human clinical trials may begin;
- approval by an institutional review board ("IRB"), representing each clinical site before each clinical trial may be initiated at that site;
- performance of adequate and well-controlled human clinical trials in accordance with good clinical practices ("GCPs"), to establish the safety and efficacy of the proposed drug product for each indication;
- preparation and submission to the FDA of a New Drug Application ("NDA"), and payment of user fees;
- review of the product by an FDA advisory committee, where appropriate or if applicable;
- satisfactory completion of one or more FDA inspections of the manufacturing facility or facilities at which the product, or components thereof, are produced to assess compliance with current Good Manufacturing Practices ("cGMP") requirements and to assure that the facilities, methods and controls are adequate to preserve the product's identity, strength, quality, and purity;
- satisfactory completion of FDA audits of clinical trial sites to assure compliance with GCPs and the integrity of the clinical data; and
- FDA review and approval of the NDA.

Preclinical Studies

Before an applicant begins testing a compound in humans, the drug candidate enters the preclinical testing stage. Preclinical studies include, among other things, laboratory evaluation of the purity and stability of the manufactured drug substance or active pharmaceutical ingredient ("API"), and the formulated drug or drug product, as well as in vitro and animal studies to assess the potential safety and activity of the drug for initial testing in humans and to establish a rationale for therapeutic use. The conduct of certain preclinical studies is subject to federal regulations and requirements, including GLP regulations. Some long-term preclinical testing, such as animal tests of reproductive adverse events ("AEs"), and carcinogenicity, may continue after the IND is submitted.

The IND and IRB Processes

An IND is an exemption from the FDCA that allows an investigational drug to be shipped in interstate commerce for use in a clinical trial and a request for FDA authorization to administer such investigational drug to humans. Such authorization must be secured prior to interstate shipment and administration of the investigational drug. In an IND, applicants must submit a protocol for each clinical trial and any subsequent protocol amendments. In addition, the results of the preclinical tests, manufacturing information, analytical data, any available clinical data or literature and plans for clinical trials, among other things, are submitted to the FDA as part of an IND. An IND automatically becomes effective 30 days after receipt by the FDA, unless before that time, the FDA raises concerns or questions related to one or more proposed clinical trials and places the trial on clinical hold. The FDA also may impose a clinical hold or partial clinical hold after commencement of a clinical trial under an IND. A clinical hold is an order issued by the FDA to the sponsor to delay a proposed clinical investigation or to suspend an ongoing investigation. A partial clinical hold is a delay or suspension of only part of the clinical work requested under the IND. No more than 30 days after imposition of a clinical hold or partial clinical hold, the FDA will provide the sponsor a written explanation of the basis for the hold. Following issuance of a clinical hold or partial clinical hold, an investigation (or full investigation in the case of a partial clinical hold) may only resume after the FDA has notified the sponsor that the investigation may proceed. The FDA will base that determination on information provided by the sponsor correcting the deficiencies previously cited or otherwise satisfying the FDA that the investigation can proceed.

A sponsor may choose, but is not required, to conduct a foreign clinical trial under an IND. When a foreign clinical trial is conducted under an IND, all FDA IND requirements must be met unless waived.

When the foreign clinical trial is not conducted under an IND, the sponsor must ensure that the study is conducted in accordance with GCP, among other things, including review and approval by an independent ethics committee and obtaining informed consent from subjects. The GCP requirements are intended to help ensure the protection of human subjects enrolled in non-IND foreign clinical trials, as well as the quality and integrity of the resulting data. FDA must also be able to validate the data from the study through an on-site inspection if necessary.

In addition to the foregoing IND requirements, an IRB representing each institution participating in the clinical trial must review and approve the plan for any clinical trial before it commences at that institution, and the IRB must conduct continuing review of the study at least annually. The IRB must review and approve, among other things, the study protocol and informed consent information to be provided to study subjects. An IRB must operate in compliance with FDA regulations. An IRB can suspend or terminate approval of a clinical trial at its institution, or an institution it represents, if the clinical trial is not being conducted in accordance with the IRB's requirements or if the product candidate has been associated with unexpected serious harm to patients.

Additionally, some trials are overseen by an independent group of qualified experts organized by the trial sponsor, known as a data safety monitoring board or committee. This group provides advice to the sponsor as to whether or not a trial may move forward at designated check points based on pre-specified criteria and access that only the group maintains to available data from the study. The FDA or the sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research subjects are being exposed to an unacceptable health risk.

Information about certain clinical trials must be submitted within specific timeframes to the National Institutes of Health for public dissemination on its ClinicalTrials.gov website. Sponsors also must disclose certain results of these clinical trials, although disclosure of results may be delayed until after the new product or new indication has been approved by the FDA. Competitors may use this publicly available information to gain knowledge regarding the progress of development programs, as well as clinical trial design. Failure to timely register a covered clinical study or to submit study results as provided for in the law can give rise to public notifications of noncompliance, civil monetary penalties, and also prevent the non-compliant party from receiving future grant funds from the federal government.

Human Clinical Trials in Support of an NDA

Clinical trials involve the administration of the investigational product to human subjects under the supervision of qualified investigators in accordance with GCP requirements, which include, among other things, the requirement that all research subjects, or their legal representative, provide their informed consent in writing before their participation in any clinical trial. Clinical trials are conducted under written study protocols detailing, among other things, the inclusion and exclusion criteria, the objectives of the study, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated.

Human clinical trials are typically conducted in three sequential phases, which may overlap or be combined:

- *Phase 1.* The product candidate is initially introduced into healthy human subjects or in patients with the targeted disease or condition in certain indications such as cancer to test for safety, dosage tolerance, absorption, metabolism, distribution, excretion, and, if possible, to gain an early indication of its effectiveness.
- *Phase 2.* The product candidate is administered to a limited patient population with the specified disease or condition to identify possible AEs and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases or conditions, and to determine dosage tolerance and optimal dosage.
- *Phase 3.* The product candidate is administered to an expanded patient population, generally at geographically dispersed clinical trial sites, in well-controlled clinical trials with the intent to generate enough data to evaluate the efficacy and safety of the product for approval, to establish the overall risk-benefit profile of the product candidate and to provide adequate information for the labeling of the product.

Post-approval studies, sometimes referred to as Phase 4 studies, may be conducted after initial regulatory approval. These studies are used to gain additional experience from the treatment of patients in the intended therapeutic indication. In certain instances, the FDA may mandate the performance of Phase 4 clinical trials as a condition of approval of an NDA.

While the IND is active, progress reports detailing the results of the clinical trials, among other information, must be submitted at least annually to the FDA. In addition, within 15 calendar days after the sponsor determines that the information qualifies for reporting, IND safety reports must be submitted to the FDA for any of the following: serious and unexpected suspected adverse reactions; findings from other studies or animal or in vitro testing that suggest a significant risk in humans exposed to the drug; and any clinically important increase in the case of a serious suspected adverse reaction over that listed in the protocol or investigator brochure. The sponsor also must notify the FDA of any unexpected fatal or life-threatening suspected adverse reaction within seven calendar days after the sponsor's initial receipt of the information.

Concurrent with clinical trials, companies often complete additional animal studies and must also develop additional information about the chemistry and physical characteristics of the drug as well as finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the drug candidate and, among other things, the applicant must develop methods for testing the identity, strength, quality, purity, and potency of the final drug. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the drug candidate does not undergo unacceptable deterioration over its shelf life.

Review of an NDA by the FDA

Assuming successful completion of required clinical testing and other requirements, the results of the preclinical studies and clinical trials, together with detailed information relating to the product's chemistry, manufacture, controls, and proposed labeling, among other things, are submitted to the FDA as part of an NDA requesting approval to market the drug product for one or more indications. Under federal law, the submission of most NDAs is additionally subject to a significant application user fee as well as annual prescription drug product program fees. These fees are typically increased annually. Certain exceptions and waivers are available for some of these fees.

In addition, the Pediatric Research Equity Act ("PREA") requires a sponsor to conduct pediatric clinical trials for most drugs, for a new active ingredient, new indication, new dosage form, new dosing regimen or new route of administration, and requires a sponsor to submit an initial Pediatric Study Plan, ("PSP"), within 60 days of an end-of-Phase 2 meeting or, if there is no such meeting, as early as practicable before the initiation of the Phase 3 or Phase 2/3 study. The initial PSP must include an outline of the pediatric study or studies that the sponsor plans to conduct, including study objectives and design, age groups, relevant endpoints and statistical approach, or a justification for not including such detailed information, and any request for a deferral of pediatric assessments or a full or partial waiver of the requirement to provide data from pediatric studies along with supporting information. The FDA and the sponsor must reach an agreement on the PSP. Under PREA, NDAs, and certain supplements must contain a pediatric assessment unless the sponsor has received a deferral or waiver. The required assessment must evaluate the safety and effectiveness of the product for the claimed indications in all relevant pediatric subpopulations and support dosing and administration for each pediatric subpopulation for which the product is deemed safe and effective. The sponsor or FDA may request a deferral of pediatric clinical trials for some or all of the pediatric subpopulations. A deferral may be granted for several reasons, including a finding that the product candidate is ready for approval for use in adults before pediatric clinical trials are complete or that additional safety or effectiveness data needs to be collected before any pediatric clinical trials begin. The FDA must send a non-compliance letter to any sponsor that fails to submit the required assessment, keep a deferral current or fails to submit a request for approval of a pediatric formulation.

The FDA conducts a preliminary review of an NDA within 60 days of its receipt, before accepting the NDA for filing, to determine whether the application is sufficiently complete to permit substantive review. The FDA may request additional information rather than accept an NDA for filing. In this event,

the application must be resubmitted with the additional information. The resubmitted application is also subject to review before the FDA accepts it for filing. Once the submission is accepted for filing, the FDA begins an in-depth substantive review. The FDA reviews an NDA to determine, among other things, whether a product is safe and effective for its intended use and whether its manufacturing is cGMP compliant to assure and preserve the product's identity, strength, quality, and purity. Under the performance goals and policies implemented by the FDA under the Prescription Drug User Fee Act ("PDUFA"), FDA has agreed to specified performance goals in the review process of NDAs. Applications for drugs containing new molecular entities are meant to be reviewed within 10 months from the date of filing, and applications for "priority review" products containing new molecular entities are meant to be reviewed within six months of filing. The review process may be extended by the FDA for three additional months if FDA requests or the applicant otherwise provides additional information or clarification regarding information already provided in the submission within the last three months before the PDUFA goal date or is otherwise deemed a "major amendment" to the application.

During its review of an NDA, the FDA typically will inspect the facility or facilities where the product is or will be manufactured. These pre-approval inspections may cover all facilities associated with an NDA, including drug component manufacturing (such as APIs), finished drug product manufacturing, and control testing laboratories. The FDA will not approve an NDA unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. In addition, the FDA will typically inspect one or more clinical sites to assure compliance with GCP and the integrity of the clinical data submitted.

In addition, as a condition of approval, the FDA may require an applicant to develop a risk evaluation and mitigation strategy ("REMS"). REMS use risk minimization strategies beyond the professional labeling to ensure that the benefits of the product outweigh the potential risks. To determine whether a REMS is needed, the FDA will consider the size of the population likely to use the product, seriousness of the disease, expected benefit of the product, expected duration of treatment, seriousness of known or potential AEs, and whether the product is a new molecular entity. REMS can include medication guides, physician communication plans for healthcare professionals, and elements to assure safe use, or ETASU. ETASU may include, but are not limited to, special training or certification for prescribing or dispensing, dispensing only under certain circumstances, special monitoring, and the use of patient registries. The FDA may require a REMS before approval or post-approval if it becomes aware of a serious risk associated with use of the product.

The FDA is required to refer an application for a novel drug to an advisory committee or explain why such referral was not made. Typically, an advisory committee is a panel of independent experts, including clinicians and other scientific experts, that reviews, evaluates, and provides a recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

Fast Track, Breakthrough Therapy, and Priority Review

The FDA has a number of programs intended to facilitate and expedite development and review of investigational drugs if they are intended to address an unmet medical need in the treatment of a serious or life-threatening disease or condition. Three of these programs are referred to as Fast Track Designation, Breakthrough Therapy Designation, and priority review designation.

First, the FDA may designate a product candidate for Fast Track review if it is intended, whether alone or in combination with one or more other products, for the treatment of a serious or life-threatening disease or condition, and it demonstrates the potential to address unmet medical needs for such disease or condition. For Fast Track product candidates, sponsors may have greater interactions with the FDA and the FDA may initiate review of sections of a Fast Track product candidate's application before the application is complete. This rolling review may be available if the FDA determines, after preliminary evaluation of clinical data submitted by the sponsor, that a Fast Track product candidate may be effective. The sponsor must also provide, and the FDA must approve, a schedule for the submission of the remaining information and the sponsor must pay applicable user fees. However, the FDA's

time period goal for reviewing a Fast Track application does not begin until the last section of the application is submitted. In addition, the Fast Track Designation may be withdrawn by the FDA if the FDA believes that the designation is no longer supported by data emerging in the clinical trial process.

Second, a product candidate may be designated as a Breakthrough Therapy if it is intended, either alone or in combination with one or more other drug products, to treat a serious or life-threatening disease or condition and preliminary clinical evidence indicates that the product candidate may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. Breakthrough Therapy Designation includes all of the benefits associated with Fast Track Designation, including the potential for rolling review of an NDA submission. In addition, the FDA may take certain actions with respect to Breakthrough Therapies, including holding meetings with the sponsor throughout the development process; providing timely advice to the product sponsor regarding development and approval; involving more senior staff in the review process; assigning a cross-disciplinary project lead for the review team; and taking other steps to design the clinical trials in an efficient manner.

Third, the FDA may designate an NDA review for a priority review if it is for a product candidate that treats a serious or life-threatening disease or condition and, if approved, would provide a significant improvement in safety or effectiveness compared to available therapies. The FDA determines, on a case-by-case basis, whether the product candidate may represent a significant improvement when compared with other available therapies. Significant improvement may be illustrated, among other things, by evidence of increased effectiveness in the treatment of a condition, elimination or substantial reduction of a treatment-limiting product reaction, documented enhancement of patient compliance that may lead to improvement in serious outcomes, and evidence of safety and effectiveness in a new subpopulation. A priority designation is intended to direct overall attention and resources to the evaluation of such applications, and to shorten the FDA's goal for taking action on a marketing application from 10 months to six months.

Accelerated Approval Pathway

The FDA may grant accelerated approval to a product candidate intended to treat a serious or life-threatening condition that provides meaningful therapeutic advantage to patients over existing treatments based upon a determination that the product candidate has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit or on an intermediate clinical endpoint that can be measured earlier than an effect on irreversible morbidity or mortality ("IMM"), and that is reasonably likely to predict an effect on IMM or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. Products granted accelerated approval must meet the same statutory standards for safety and effectiveness as those granted traditional approval.

For the purposes of accelerated approval, a surrogate endpoint is a marker, such as a laboratory measurement, radiographic image, physical sign, or other measure that is thought to predict clinical benefit, but is not itself a measure of clinical benefit. Surrogate endpoints can often be measured more easily or more rapidly than clinical endpoints. An intermediate clinical endpoint is a measurement of a therapeutic effect that is considered reasonably likely to predict the clinical benefit of a product, such as an effect on IMM. The FDA has limited experience with accelerated approvals based on intermediate clinical endpoints, but has indicated that such endpoints generally may support accelerated approval where the therapeutic effect measured by the endpoint is not itself a clinical benefit and basis for traditional approval, if there is a basis for concluding that the therapeutic effect is reasonably likely to predict the ultimate clinical benefit of a product.

The accelerated approval pathway is often used in settings in which the course of a disease is long and an extended period of time is required to measure the intended clinical benefit of a product, even if the effect on the surrogate or intermediate clinical endpoint occurs rapidly.

The accelerated approval pathway is typically contingent on a sponsor's agreement to conduct, in a diligent manner, additional post-approval confirmatory studies to verify and describe the product's anticipated clinical benefit. As a result, a product candidate approved on this basis is subject to rigorous

post-marketing compliance requirements, including the completion of Phase 4 or other post-approval clinical trials to verify and describe the anticipated the effect on the clinical endpoint. Under the Food and Drug Omnibus Reform Act of 2022 ("FDORA"), the FDA is permitted to require, as appropriate, that such trials be underway prior to approval or within a specific time period after the date of approval for a product granted accelerated approval. Sponsors are also required to send updates to the FDA every 180 days on the status of such studies, including progress toward enrollment targets, and the FDA must post this information publicly. Under FDORA, the FDA has increased authority for expedited procedures to withdraw approval of a drug or indication approved under accelerated approval if, for example, the sponsor fails to conduct such studies in a timely manner and send the necessary updates to the FDA, or if a confirmatory trial fails to verify the predicted clinical benefit of the product. In addition, the FDA generally requires, unless otherwise informed by the agency, pre-approval of promotional materials for product candidates approved under accelerated regulations, which could adversely impact the timing of the commercial launch of the product.

Orphan Drug Designation

Under the Orphan Drug Act, the FDA may grant orphan designation to a drug intended to treat a rare disease or condition, which is a disease or condition that affects fewer than 200,000 individuals in the United States or, if it affects more than 200,000 individuals in the United States, there is no reasonable expectation that the cost of developing and making a drug product available in the United States for this type of disease or condition will be recovered from sales of the product. Orphan designation must be requested before submitting an NDA. After the FDA grants Orphan designation, the identity of the therapeutic agent and its potential orphan use are disclosed publicly by the FDA. Orphan designation does not convey any advantage in or shorten the duration of the regulatory review and approval process.

If a product that has orphan designation subsequently receives the first FDA approval for the disease or condition for which it has such designation, the product is entitled to orphan exclusivity, which means that the FDA may not approve any other applications to market the same therapeutic agent for the same approved use or indication for seven years, except in limited circumstances, such as a subsequent product's showing of clinical superiority to the product with orphan exclusivity or inability of the original applicant to manufacture the product in sufficient quantities of the orphan drug to meet the needs of patients with the disease or condition for which the drug was designated. Orphan drug exclusivity does not prevent the FDA from approving a different drug for the same approved indication or use, or the same drug for a different indication or use. Among the other benefits of orphan drug designation are tax credits for certain research and a waiver of the NDA application user fee.

A designated orphan drug may not receive orphan drug exclusivity if it is approved for a use that is broader than the disease or condition for which it received orphan designation. In addition, orphan drug exclusive marketing rights in the United States may be lost if the FDA later determines that the request for designation was materially defective or, as noted above, if a second applicant demonstrates that its product is clinically superior to the approved product with orphan exclusivity within the relevant approved use or indication or the manufacturer of the approved product is unable to assure sufficient quantities of the product to meet the needs relating to the approved use or indication of patients with the relevant rare disease or condition.

Rare Pediatric Disease Designation and Priority Review Vouchers

Under the FDCA, the FDA incentivizes the development of drugs and biological products that meet the definition of a "rare pediatric disease," defined to mean a serious or life-threatening disease in which the serious or life-threatening manifestations primarily affect individuals aged from birth to 18 years and the disease affects fewer than 200,000 individuals in the United States or affects more than 200,000 in the United States and for which there is no reasonable expectation that the cost of developing and making in the United States a drug or biological product for such disease or condition will be recovered from sales in the United States of such drug or biological product. The sponsor of a product candidate for a rare pediatric disease may be eligible for a voucher that can be used to obtain a priority review for a subsequent human drug or biological product application after the date of approval of the rare pediatric disease drug or biological product, referred to as a PRV. A sponsor may request rare pediatric

disease designation from the FDA prior to the submission of its NDA. A rare pediatric disease designation does not guarantee that a sponsor will receive a PRV upon approval of its NDA. Moreover, a sponsor who chooses not to submit a rare pediatric disease designation request may nonetheless receive a PRV upon approval of their marketing application if they request such a voucher in their original marketing application and meet all of the eligibility criteria. If a PRV is received, it may be sold or transferred an unlimited number of times. Congress has extended the PRV program through September 30, 2029. Under current law, after September 30, 2029, the FDA may not award any rare pediatric disease PRVs, although the FDA's authority to do so could be extended by Congress in the future.

The FDA's Decision on an NDA

On the basis of the FDA's evaluation of the NDA and accompanying information, including the results of any inspections of the manufacturing facilities and select clinical trial sites, the FDA may issue an approval letter or a complete response letter. An approval letter authorizes commercial marketing of the product with specific prescribing information for specific indications. A complete response letter generally outlines the deficiencies in the submission and may require substantial additional testing or information in order for the FDA to reconsider the application. If a complete response letter is issued, the applicant may resubmit the NDA to address all of the deficiencies identified in the letter, withdraw the application, or request a hearing. If the applicant resubmits the NDA, the FDA will issue an approval letter only when the deficiencies have been addressed to the FDA's satisfaction. The FDA has committed to reviewing such resubmissions in two or six months depending on the type of information included. Even with submission of this additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval. In September 2025, the FDA began publishing complete response letters soon after issuing them to the respective sponsors, breaking with long standing agency tradition of publishing complete response letters with approval documentation after the product is approved.

If the FDA approves a product, it may limit the approved indications for use for the product, require that contraindications, warnings, or precautions be included in the product labeling, require that post-approval studies, including Phase 4 clinical trials, be conducted to further assess the drug's safety or effectiveness after approval, require testing and surveillance programs to monitor the product after commercialization, or impose other conditions, including distribution restrictions or other risk management mechanisms, including REMS, which can materially affect the potential market and profitability of the product. The FDA may prevent or limit further marketing of a product based on the results of post-market studies or surveillance programs.

Post-Approval Requirements

Drugs manufactured or distributed pursuant to FDA approvals are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to recordkeeping, periodic reporting, product sampling and distribution, advertising, and promotion, reporting of adverse experiences with the product and applicable product tracking and tracing requirements. After approval, many changes to the approved product, such as adding new indications or other labeling claims, are subject to prior FDA review and approval. There also are annual prescription drug product program fee requirements for certain marketed products.

In addition, drug manufacturers and other entities involved in the manufacture and distribution of approved drugs, and those supplying products, ingredients, and components of them are required to register their establishments with the FDA and state agencies, and are subject to periodic unannounced inspections by the FDA and these state agencies for compliance with cGMP requirements. Changes to the manufacturing process are strictly regulated and often require prior FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMP and impose reporting and documentation requirements upon the NDA holder and any third-party manufacturers that the NDA holder may decide to use. Manufacturers and other parties involved in the drug supply chain for prescription drug products must also comply with product tracking and tracing requirements and notify the FDA of counterfeit, diverted, stolen, and intentionally adulterated products

or products that are otherwise unfit for distribution in the United States. Accordingly, manufacturers must continue to expend time, money, and effort in the area of production and quality control to maintain cGMP compliance.

Once an approval is granted, the FDA may withdraw the approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including AEs of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information; imposition of post-market studies or clinical trials to assess new safety risks; or imposition of distribution or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of the product, complete withdrawal of the product from the market, or voluntary product recalls;
- fines, warning, or untitled letters or holds on post-approval clinical trials;
- refusal of the FDA to approve pending applications or supplements to approved applications, or suspension or revocation of product approvals;
- product seizure or detention, or refusal to permit the import or export of products; or
- injunctions or the imposition of civil or criminal penalties.

The FDA strictly regulates marketing, labeling, advertising, and promotion of products that are placed on the market. Drugs may be promoted only for the approved indications and in accordance with the provisions of the approved label. However, companies may share truthful and not misleading information that is otherwise consistent with a product's FDA approved labeling. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability.

In addition, the distribution of prescription pharmaceutical products is subject to the Prescription Drug Marketing Act ("PDMA"), which regulates the distribution of drugs and drug samples at the federal level, and sets minimum standards for the registration and regulation of drug distributors by the states. Both the PDMA and state laws limit the distribution of prescription pharmaceutical product samples and impose requirements to ensure accountability in distribution.

Hatch-Waxman Amendments

Section 505 of the FDCA describes three types of marketing applications that may be submitted to the FDA to request marketing authorization for a new drug. A Section 505(b)(1) NDA is an application that contains full reports of investigations of safety and efficacy. A 505(b)(2) NDA is an application that contains full reports of investigations of safety and efficacy but where at least some of the information required for approval comes from investigations that were not conducted by or for the applicant and for which the applicant has not obtained a right of reference or use from the person by or for whom the investigations were conducted. This regulatory pathway enables the applicant to rely, in part, on the FDA's prior findings of safety and efficacy for an existing product, or published literature, in support of its application. The FDA may also require companies to perform additional studies or measurements, including clinical trials, to support the change from the approved branded reference drug. The FDA may then approve the new product candidate for all, or some, of the labeled indications for which the branded reference drug has been approved, as well as for any new indication sought by the 505(b)(2) applicant. Section 505(j) establishes an abbreviated approval process for a generic version of approved drug products through the submission of an Abbreviated New Drug Application ("ANDA"). An ANDA provides for marketing of a generic drug product that has the same active ingredients, dosage form, strength, route of administration, labeling, performance characteristics, and intended use, among other things, to a previously approved product, known as a reference listed drug ("RLD"). ANDAs are termed "abbreviated" because they are generally not required to include preclinical (animal) and clinical (human) data to establish safety and efficacy. Instead, generic applicants must scientifically demonstrate that their product is bioequivalent to, or performs in the same manner as, the innovator drug through in vitro, in vivo, or other testing. In certain situations, an applicant may obtain ANDA

approval of a generic product with a strength or dosage form that differs from a referenced innovator drug pursuant to the filing and approval of an ANDA Suitability Petition. The FDA will approve the generic product as suitable for an ANDA application if it finds that the generic product does not raise new questions of safety and effectiveness as compared to the innovator product.

Non-Patent Exclusivity

Under the Hatch-Waxman Amendments, the FDA may not approve (or in some cases accept) an ANDA or 505(b)(2) application until any applicable period of non-patent exclusivity for the RLD has expired. The FDCA provides a period of five years of non-patent data exclusivity for a new drug containing a new chemical entity ("NCE"). For the purposes of this provision, an NCE is a drug that contains no active moiety that has previously been approved by the FDA in any other NDA. An active moiety is the molecule or ion responsible for the physiological or pharmacological action of the drug substance. In cases where such NCE exclusivity has been granted, an ANDA may not be filed with the FDA until the expiration of five years unless the submission is accompanied by a Paragraph IV certification, which states the proposed generic drug will not infringe one or more of the already approved product's listed patents or that such patents are invalid or unenforceable, in which case the applicant may submit its application four years following the original product approval.

The FDCA also provides for a period of three years of exclusivity for non-NCE drugs if the NDA or a supplement to the NDA includes reports of one or more new clinical investigations, other than bioavailability or bioequivalence studies, that were conducted by or for the applicant and are essential to the approval of the application or supplement. This three-year exclusivity period often protects changes to a previously approved drug product, such as a new dosage form, route of administration, combination, or indication, but it generally would not protect the original, unmodified product from generic competition. Unlike five-year NCE exclusivity, an award of three-year exclusivity does not block the FDA from accepting ANDAs seeking approval for generic versions of the drug as of the date of approval of the original drug product; it only prevents FDA from approving such ANDAs.

A drug product can obtain pediatric market exclusivity in the United States. Pediatric exclusivity, if granted, adds six months to existing exclusivity periods for all formulations, dosage forms, and indications of the active moiety and to patent terms. This six-month exclusivity, which runs from the end of other exclusivity protection and patent term, may be granted based on the voluntary completion of a pediatric study in accordance with an FDA-issued "Written Request" for such a study, provided that at the time pediatric exclusivity is granted there is not less than nine months of term remaining.

Hatch-Waxman Patent Certification and the 30-Month Stay

In seeking approval of an NDA or a supplement thereto, NDA sponsors are required to list with the FDA each patent with claims that cover the applicant's product or an approved method of using the product. Upon approval of an NDA, each of the patents listed in the application for the drug is published in the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations, commonly known as the Orange Book. Upon submission of an ANDA or 505(b)(2) NDA, an applicant is required to certify to the FDA concerning any patents listed for the RLD in the Orange Book that:

- no patent information on the drug product that is the subject of the application has been submitted to the FDA;
- such patent has expired;
- the date on which such patent expires; or
- such patent is invalid, unenforceable, or will not be infringed upon by the manufacture, use, or sale of the drug product for which the application is submitted.

Generally, the ANDA or 505(b)(2) NDA cannot be approved until all listed patents have expired, except where the ANDA or 505(b)(2) NDA applicant challenges a listed patent through the last type of certification, also known as a paragraph IV certification. If the applicant does not challenge the listed patents or indicates that it is not seeking approval of a patented method of use, the ANDA or 505(b)(2) NDA application will not be approved until all of the listed patents claiming the referenced product have

expired. If the ANDA or 505(b)(2) NDA applicant has provided a paragraph IV certification, the applicant must send notice of the paragraph IV certification to the NDA and patent holders once the application has been accepted for filing by the FDA. The NDA and patent holders may then initiate a patent infringement lawsuit in response to the notice of the paragraph IV certification. If the paragraph IV certification is challenged by an NDA holder or the patent owner(s) asserts a patent challenge to the paragraph IV certification, the FDA may not approve that application until the earlier of 30 months from the receipt of the notice of the paragraph IV certification, the expiration of the patent, when the infringement case concerning each such patent was favorably decided in the applicant's favor or settled, or such shorter or longer period as may be ordered by a court. This prohibition is generally referred to as the 30-month stay. In instances where an ANDA or 505(b)(2) NDA applicant files a paragraph IV certification, the NDA holder or patent owner(s) regularly take action to trigger the 30-month stay, recognizing that the related patent litigation may take many months or years to resolve. Thus, approval of an ANDA or 505(b)(2) NDA could be delayed for a significant period of time depending on the patent certification the applicant makes and the reference drug sponsor's decision to initiate patent litigation. If the drug has NCE exclusivity and the ANDA is submitted four years after approval, the 30-month stay is extended so that it expires seven and a half years after approval of the innovator drug, unless the patent expires or there is a decision in the infringement case that is favorable to the ANDA applicant before then.

Patent Term Restoration and Extension

A patent claiming a new drug product may be eligible for a limited patent term extension under the Hatch-Waxman Amendments, which permits a patent term restoration of up to five years for patent term lost during product development and the FDA regulatory review. The restoration period granted is typically one-half the time between the effective date of an IND and the submission date of an NDA, plus the time between the submission date of an NDA and the ultimate approval date, provided the sponsor acted with diligence. Patent term restoration cannot be used to extend the remaining term of a patent past a total of 14 years from the product's approval date. Only one patent applicable to an approved drug product is eligible for the extension, and the application for the extension must be submitted prior to the expiration of the patent in question and within 60 days of drug approval. A patent that covers multiple drugs for which approval is sought can only be extended in connection with one of the approvals. The U.S. Patent and Trademark Office ("USPTO") reviews and approves the application for any patent term extension or restoration in consultation with the FDA.

Rest of the World Regulation

For other countries outside of the United States, including those in Europe, Latin America, or Asia, the requirements governing product development, the conduct of clinical trials, product marketing, product licensing, pricing and reimbursement can vary from country to country. Failure to comply with applicable foreign regulatory requirements may subject sponsors, manufacturers, or marketers of pharmaceutical products to, among other things, fines, suspension, or withdrawal of regulatory authorizations and approvals, product recalls, seizure of products, operating restrictions and criminal prosecution.

Review and Approval of Medicinal Products in the European Union

In order to market any product outside of the United States, a company must also comply with numerous and varying regulatory requirements of other countries and jurisdictions regarding quality, safety, and efficacy, and governing, among other things, clinical trials, obtaining marketing authorization ("MA"), commercial sales and distribution of products. Whether or not it obtains FDA approval for a product, an applicant will need to obtain the necessary approvals by the comparable foreign regulatory authorities before it can commence clinical trials or marketing of the product in those countries or jurisdictions. Specifically, the process governing approval of medicinal products in the EU generally follows similar lines as in the United States. It entails satisfactory completion of preclinical studies and adequate and well-controlled clinical trials to establish the safety and efficacy of the product for each proposed indication. It also requires the submission to the relevant competent authorities of an MA application ("MAA"), and granting of an MA by these authorities before the product can be marketed and sold in the EU.

Non-clinical Studies and Clinical Trials

Similarly to the United States, the various phases of non-clinical and clinical research in the EU are subject to significant regulatory controls.

Non-clinical studies are performed to demonstrate the health or environmental safety of new chemical or biological substances. Non-clinical (pharmaco-toxicological) studies must be conducted in compliance with GLP, as set forth in EU Directive 2004/10/EC (unless otherwise justified for certain particular medicinal products, e.g., radio-pharmaceutical precursors for radio-labeling purposes). These GLP standards reflect the Organization for Economic Co-operation and Development requirements.

Clinical trials of medicinal products in the EU must be conducted in accordance with EU and national regulations and the International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use ("ICH") guidelines on GCP, as well as the applicable regulatory requirements and the ethical principles that have their origin in the Declaration of Helsinki. If the sponsor of the clinical trial is not established within the EU, it must appoint an EU entity to act as its legal representative. The sponsor must take out a clinical trial insurance policy, and in most EU member states, the sponsor is liable to provide 'no fault' compensation to any study subject injured in the clinical trial.

The EU Clinical Trials Regulation ("CTR"), which was adopted in April 2014 and repealed the EU Clinical Trials Directive, became applicable on January 31, 2022. Unlike directives, the CTR is directly applicable in all EU member states without the need for member states to further implement it into national law. The CTR notably harmonizes the assessment and supervision processes for clinical trials throughout the EU via a Clinical Trials Information System, which contains a centralized EU portal and database.

While the EU Clinical Trials Directive required a separate clinical trial authorization application ("CTA") to be submitted in each member state in which the clinical trial takes place, to both the competent national health authority and an independent ethics committee, much like the FDA and IRB respectively, the CTR introduces a centralized process and only requires the submission of a single application for multi-center trials. The CTR allows sponsors to make a single submission to both the competent authority and an ethics committee in each member state, leading to a single decision per member state. The CTA must include, among other things, a copy of the trial protocol and an investigational medicinal product dossier containing information about the manufacture and quality of the medicinal product under investigation. The assessment procedure of the CTA has been harmonized as well, including a joint assessment by all member states concerned, and a separate assessment by each member state with respect to specific requirements related to its own territory, including ethics rules. Each member state's decision is communicated to the sponsor via the centralized Clinical Trials Information System. Once the CTA is approved, clinical study development may proceed.

Medicines used in clinical trials must be manufactured in accordance with Good Manufacturing Practice ("GMP"). Other national and EU-wide regulatory requirements may also apply.

Marketing Authorization

In order to market our product candidates in the EU and many other foreign jurisdictions, we must obtain separate regulatory approvals. More concretely, in the EU, medicinal product candidates can only be commercialized after obtaining an MA. To obtain an MA, an applicant must submit an MAA either under a centralized procedure administered by the EMA, or one of the procedures administered by competent authorities in the EU member states (decentralized procedure or mutual recognition procedure) for obtaining an MA in multiple EU member states.

"Centralized MAs" are issued by the European Commission through the centralized procedure based on the opinion of the Committee for Medicinal Products for Human Use ("CHMP") of the EMA, and are valid throughout the EU. Pursuant to Regulation (EC) No 726/2004, the centralized procedure is compulsory for specific products, including for therapeutics produced by certain biotechnological processes, products designated as orphan medicinal products, advanced therapy medicinal products

(gene therapy, somatic cell therapy, and tissue-engineered products) and products with a new active substance indicated for the treatment of certain diseases, including products for the treatment of HIV, AIDS, cancer, diabetes, neurodegenerative diseases, auto-immune and other immune dysfunctions and viral diseases. The centralized procedure is optional for products containing a new active substance not yet authorized in the EU, or for products that constitute a significant therapeutic, scientific, or technical innovation or which are in the interest of public health in the EU.

Under the centralized procedure, the maximum timeframe for the evaluation of an MAA by the EMA is 210 days, excluding clock stops, when additional information or written or oral explanation is to be provided by the applicant in response to questions asked by the CHMP. Clock stops may extend the timeframe of evaluation of an MAA considerably beyond 210 days. Accelerated evaluation might be granted by the CHMP in exceptional cases, when a medicinal product is of major interest from a public health perspective and in particular from the point of view of therapeutic innovation. If the CHMP accepts such request, the time limit of 210 days will be reduced to 150 days, excluding clock stops, but it is possible that the CHMP can revert to the standard time limit for the centralized procedure if it considers that it is no longer appropriate to conduct an accelerated assessment. At the end of this period, the CHMP provides a scientific opinion on whether or not a marketing authorization should be granted in relation to a medicinal product. Within 67 days from the date of the CHMP opinion, the European Commission will adopt its final decision on the MAA.

"National MAs" are issued by the competent authorities of the EU member states, only cover their respective territory, and are available for product candidates not falling within the mandatory scope of the centralized procedure. Where a product has already been authorized for marketing in an EU member state, this national MA can be recognized in another member state through the mutual recognition procedure. If the product has not received a national MA in any member state at the time of application, it can be approved simultaneously in various member states through the decentralized procedure. Under the decentralized procedure an identical dossier is submitted to the competent authorities of each of the member states in which the MA is sought, one of which is selected by the applicant as the reference member state.

Periods of Authorization and Renewals

An MA has an initial validity of five years. The MA may be renewed after five years on the basis of a re-evaluation of the risk-benefit balance by the EMA or by the competent authority of the relevant EU member state for a nationally authorized product. To this end, the MA holder must provide the EMA or the competent authority with a consolidated version of the file in respect of quality, safety, and efficacy, including all variations introduced since the MA was granted, at least nine months before the MA ceases to be valid. Once renewed, the MA is valid for an unlimited period, unless the European Commission or the competent authorities of the relevant member states decide, on justified grounds relating to pharmacovigilance, to proceed with one further five year renewal period. Any authorization which is not followed by the actual placing of the medicinal product on the EU market (for centrally-authorized products) or on the market of the authorizing EU member state (for nationally-authorized products) within three years after authorization ceases to be valid (the so-called "sunset clause").

Data and Market Exclusivity

In the EU, innovative medicinal products approved on the basis of a complete and independent data package generally receive eight years of data exclusivity and an additional two years of market exclusivity upon grant of an MA. The data exclusivity period prevents applicants for authorization of generics or biosimilars of these innovative products from referencing the innovator's preclinical and clinical trial data contained in the dossier of the reference product when applying for a generic or biosimilar (abbreviated) MA, for a period of eight years from the date on which the reference product was first authorized in the EU. During an additional two-year period of market exclusivity, a generic or biosimilar MAA can be submitted, and the innovator's data may be referenced, but no generic or biosimilar medicinal product can be placed on the EU market until the expiration of the market exclusivity. The overall 10-year period will be extended to a maximum of 11 years if, during the first eight years of those 10 years, the MA holder obtains an authorization for one or more new therapeutic indications which,

during the scientific evaluation prior to their authorization, are held to bring a significant clinical benefit in comparison with existing therapies. There is no guarantee that a product will be considered by the EMA to be an innovative medicinal product, and products may not qualify for data exclusivity. Even if a product is considered to be an innovative medicinal product so that the innovator gains the prescribed period of data exclusivity, another company nevertheless could also market another version of the product if such company obtained an MA based on an MAA with a complete and independent data package of pharmaceutical tests, preclinical tests and clinical trials.

Orphan Medicinal Products

The criteria for designating an "orphan medicinal product" in the EU are similar in principle to those in the United States. A medicinal product can be designated as an orphan if its sponsor can establish that: (1) the product is intended for the diagnosis, prevention, or treatment of a life-threatening or chronically debilitating condition, (2) either (i) such condition affects no more than five in ten thousand persons in the EU when the application is made, or (ii) without the benefits derived from orphan status, it is unlikely that the marketing of the product in the EU would generate sufficient return to justify the necessary investment in its development; (3) there exists no satisfactory method of diagnosis, prevention, or treatment of the condition in question that has been authorized in the EU or, if such method exists, the product would be of significant benefit to those affected by that condition.

An orphan designation provides a number of benefits, including fee reductions, regulatory assistance, and the possibility to apply for a centralized EU MA. Upon grant of an MA, orphan medicinal products are entitled to a ten-year period of market exclusivity, which means that the EMA and the competent authorities of the EU member states cannot accept another MAA, or grant an MA, or accept an application to extend an MA for a similar medicinal product for the same indication for a period of ten years. A "similar medicinal product" is defined as a medicinal product containing a similar active substance or substances as contained in an authorized orphan medicinal product, and which is intended for the same therapeutic indication. The period of market exclusivity may be extended by two years for orphan medicinal products that have also complied with an agreed pediatric investigation plan ("PIP"). No extension to any supplementary protection certificate ("SPC") can be granted on the basis of pediatric studies for orphan indications. Orphan designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process.

The orphan exclusivity period may be reduced to six years if, at the end of the fifth year, it is established that the product no longer meets the criteria for which it received orphan designation, including where it is shown that the product is sufficiently profitable not to justify maintenance of market exclusivity or where the prevalence of the condition has increased above the threshold. Additionally, an MA may be granted to a similar product for the same indication as an authorized orphan product at any time if (i) a second applicant can establish that its product, although similar to the authorized orphan product, is safer, more effective or otherwise clinically superior; (ii) the MA holder for the authorized orphan product consents to a second medicinal product application; or (iii) the MA holder for the authorized product cannot supply enough orphan medicinal product.

Pediatric Development

Regulation (EC) No 1901/2006 provides that prior to obtaining an MA in the EU, applicants have to demonstrate compliance with all measures included in a PIP, agreed with the EMA's Pediatric Committee ("PDCO"), and covering all subsets of the pediatric population, unless the PDCO has granted (1) a product-specific waiver, (2) a class waiver, or (3) a deferral for one or more of the measures included in the PIP. The PIP sets out the timing and measures proposed to generate data to support a pediatric indication of the product for which an MA is being sought. Products that are granted an MA with the results of the pediatric clinical trials conducted in accordance with the PIP are eligible for a six-month extension of the protection under an SPC provided an application for such extension is made at the same time as filing the SPC application for the product, or at any point up to two years before the SPC expires, even where the trial results are negative. In the case of orphan medicinal products, a two-year extension of the orphan market exclusivity may be available. This pediatric reward is subject to specific conditions and is not automatically available when data in compliance with the PIP are developed and submitted.

Post-Approval Requirements

Similar to the United States, both MA holders and manufacturers of medicinal products are subject to comprehensive regulatory oversight by the EMA, the European Commission and/or the competent regulatory authorities of the member states. The holder of an MA must establish and maintain a pharmacovigilance system and appoint an individual qualified person for pharmacovigilance ("QPPV"), who is responsible for the establishment and maintenance of that system, and oversees the safety profiles of medicinal products and any emerging safety concerns. Key obligations include expedited reporting of suspected serious adverse reactions and submission of periodic safety update reports ("PSURs").

All new MAAs must include a risk management plan ("RMP"), describing the risk management system that the company will put in place and documenting measures to prevent or minimize the risks associated with the product.

Regulatory Authorities may also impose specific obligations as a condition of the MA. Such risk-minimization measures or post-authorization obligations may include additional safety monitoring, more frequent submission of PSURs, or the conduct of additional clinical trials or post-authorization safety studies.

The advertising and promotion of medicinal products is also subject to laws concerning promotion of medicinal products, interactions with physicians, misleading and comparative advertising, and unfair commercial practices. All advertising and promotional activities for the product must be consistent with the approved summary of product characteristics, and therefore all off-label promotion is prohibited in the EU. Direct-to-consumer advertising of prescription medicines is also prohibited in the EU. Although general requirements for advertising and promotion of medicinal products are established under EU directives, the details are governed by regulations in each member state and can differ from one country to another.

The aforementioned EU rules are generally applicable in the European Economic Area ("EEA"), which consists of the EU member states plus Norway, Liechtenstein, and Iceland.

Failure to comply with EU and member state laws that apply to the conduct of clinical trials, manufacturing approval, authorization of medicinal products and marketing of such products, both before and after grant of the MA, manufacturing of pharmaceutical products, statutory health insurance, bribery and anti-corruption, or with other applicable regulatory requirements may result in administrative, civil, or criminal penalties. These penalties could include delays or refusal to authorize the conduct of clinical trials, or to grant an MA, product withdrawals and recalls, product seizures, suspension, withdrawal or variation of the MA, total or partial suspension of production, distribution, manufacturing, or clinical trials, operating restrictions, injunctions, suspension of licenses, fines, and criminal penalties.

Reform of the Regulatory Framework in the European Union

The European Commission introduced legislative proposals in April 2023 intended to replace the current regulatory framework in the EU for all medicines (including those for rare diseases and for children). In April 2024, the European Parliament adopted its position on the legislative proposals and, in June 2025, the Council of the European Union adopted its position. A common position on the text was agreed upon on December 11, 2025, in the context of subsequent inter-institutional trilogue negotiations. The proposed revisions remain to be formally adopted into EU law, and are not expected to become applicable before 2028.

Brexit and the Regulatory Framework in the United Kingdom

Following the end of the Brexit transition period on January 1, 2021 and the implementation of the Windsor Framework on January 1, 2025, the United Kingdom ("UK") is not generally subject to EU laws in respect of medicines. The EU laws that have been transposed into UK law through secondary legislation remain applicable in the UK; however, new legislation such as the (EU) CTR is not applicable in the UK.

Under the Medicines and Medical Devices Act 2021, the Secretary of State or an 'appropriate authority' have delegated powers to amend or supplement existing regulations in the area of medicinal products and medical devices. This allows new rules to be introduced in the future by way of secondary legislation, which aims to allow flexibility in addressing regulatory gaps and future changes in the fields of human medicines, clinical trials, and medical devices.

As of January 1, 2021, the Medicines and Healthcare products Regulatory Agency ("MHRA") is the UK's standalone medicines and medical devices regulator. As a result of the Northern Ireland Protocol, different rules initially applied in Northern Ireland than in England, Wales, and Scotland (together, "Great Britain", or GB), as Northern Ireland continued to follow the EU regulatory regime for a period of time following Brexit. However, on January 1, 2025 a new arrangement called the "Windsor Framework" came into effect and reintegrated Northern Ireland under the regulatory authority of the MHRA with respect to medicinal products. The Windsor Framework removes EU licensing processes and EU labeling and serialization requirements in relation to Northern Ireland and introduces a UK-wide licensing process for medicines.

The UK regulatory framework in relation to clinical trials is governed by the Medicines for Human Use (Clinical Trials) Regulations 2004, as amended, which is derived from the Clinical Trials Directive, as implemented into UK national law through secondary legislation. In April 2025, the UK introduced the Medicines for Human Use (Clinical Trials) (Amendment) Regulations, with the aim of creating a streamlined, risk-proportionate system that accelerates approvals while maintaining robust safety standards. Following a 12-month implementation period, the amended regulations came fully into force on 28 April 2026.

In addition, in October 2023, the MHRA announced a new Notification Scheme for clinical trials which enables a more streamlined and risk-proportionate approach to initial clinical trial applications for Phase 4 and low-risk Phase 3 clinical trial applications.

MAs in the UK are governed by the Human Medicines Regulations (SI 2012/1916), as amended. All existing EU MAs for centrally authorized products were automatically converted or grandfathered into UK MAs, effective in GB (only), free of charge on January 1, 2021, unless the MA holder chose to opt-out. Under the terms of the Windsor Framework, these licenses became valid for the whole of the UK from January 1, 2025. In order to use the centralized procedure to obtain an MA that will be valid throughout the EEA, companies must be established in the EEA. Therefore, after Brexit, companies established in the UK can no longer use the EU centralized procedure and instead an EEA entity must hold any centralized MAs. In order to obtain a UK MA to commercialize products in the UK, an applicant must follow one of the UK national authorization procedures or one of the remaining post-Brexit international cooperation procedures. The MHRA has introduced changes to national licensing procedures, including procedures to prioritize access to new medicines that will benefit patients, a 150-day assessment (subject to clock-stops) and a rolling review procedure. The rolling-review procedure permits the separate or joint submission of quality, non-clinical, and clinical data to the MHRA which can be reviewed on a rolling basis. After an application under the rolling-review procedure has been validated, the final decision should be received within 100 days (subject to clock-stops). In addition, since January 1, 2024, the MHRA may rely on the International Recognition Procedure ("IRP"), when reviewing certain types of MAAs. Pursuant to the IRP, the MHRA will take into account the expertise and decision-making of trusted regulatory partners (e.g. the medicines regulatory authorities in Australia, Canada, Switzerland, Singapore, Japan, the U.S.A. and the EMA in the EU) when considering an application for a UK MA. The MHRA will conduct a targeted assessment of IRP applications but retain the authority to reject applications if the evidence provided is considered insufficiently robust. Applications should be decided within a maximum of 60 days if there are no major objections identified that cannot be resolved within such 60 day period and the approval from the trusted regulatory partner selected has been granted within the previous 2 years. If there are such major objections identified or such approval hasn't been granted within the previous 2 years, then the relevant timeframe for the MHRA decision is within 110 days. Applicants can submit initial MAAs to the IRP but the procedure can also be used throughout the lifecycle of a product for post-authorization procedures including line extensions, variations, and renewals.

In the UK, the initial duration of an MA is five years and following renewal will be valid for an unlimited period unless the MHRA decides on justified grounds relating to pharmacovigilance, to proceed with only one additional five-year renewal. Any authorization which is not followed by the actual placing of the medicine on the market in the UK (or GB, if the MA is only valid in GB) within three (3) years shall cease to be in force.

There is no pre-MA orphan designation in the UK. Instead, the MHRA reviews applications for orphan designation in parallel to the corresponding MA application. The criteria are essentially the same, but have been tailored for the market, i.e., the prevalence of the condition in the UK, rather than the EU, must not be more than five in 10,000. Should an orphan designation be granted, the period of market exclusivity will be set from the date of first approval of the product in the UK.

Review and Approval of Medicinal Products in Australia

The Therapeutic Goods Administration ("TGA") and the National Health and Medical Research Council ("NHMRC") set the GCP requirements for clinical research in Australia.

Compliance with the regulations, standards and codes set by the TGA and NHMRC is mandatory. Under the Therapeutic Goods Act 1989 (Cth) and the Therapeutic Goods Regulations 1990 (Cth), it is a condition (amongst other conditions) of all clinical trials involving investigational medicinal products to comply with the National Statement on Ethical Conduct in Research Involving Humans, published by the NHMRC (the National Statement), and the Guideline for Good Clinical Practice published by the International Council for Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use ("ICH Guidelines"). The ICH Guidelines have been adopted in Australia, and must be complied with across all fields of clinical research involving therapeutic goods, including those related to pharmaceutical quality, nonclinical and clinical data requirements and trial designs. The basic requirements for preclinical data to support a first-in-human trial under ICH Guidelines are applicable in Australia. Requirements related to adverse event reporting in Australia are generally similar to those required in other major jurisdictions (and there is alignment with the European Union's Clinical Trial Regulations: Regulation EU No 536/2014), although reporting timeframes may differ to other jurisdictions.

Clinical trials conducted using "unapproved therapeutic goods" in Australia, being those which have not yet been evaluated by the TGA for quality, safety and efficacy (and including unapproved indications of therapeutic goods which have otherwise been approved for use in Australia) must occur pursuant to either the Clinical Trial Notification Scheme ("CTN Scheme") or the Clinical Trial Approval Scheme ("CTA Scheme"). In each case, the trial is supervised by a Human Research Ethics Committee ("HREC"), an independent review committee constituted in accordance with the National Statement that ensures the protection of rights, safety and well-being of human subjects involved in a clinical trial. An HREC reviews, approves and provides continuing oversight of trial protocols (including any amendments), methods and materials intended to be used in obtaining and documenting informed consent of the clinical trial subjects.

The CTN Scheme broadly involves:

- the investigator or sponsor of the Australian clinical trial submitting a 'Notification of Intent to Conduct a Clinical Trial' form ("CTN Form") to the TGA and payment of the relevant fee;
- the TGA may request further specific information relating to the 'unapproved therapeutic goods' that are the subject of the clinical trial;
- submission to an HREC, of all material relating to the proposed clinical trial, including the trial protocol;
- the HREC reviews the scientific validity of the trial design, the balance of risk versus harm of the therapeutic good, the ethical acceptability of the trial process, and approves the trial protocol. The HREC is also responsible for monitoring the conduct of the trial;
- the institution or organization at which the trial will be conducted, referred to as the "Approving Authority," giving final approval for the conduct of the trial at the site, in terms no less restrictive to those advised by the HREC; and

- ensuring that the CTN form is signed by the sponsor, the principal investigator, the chairman of the HREC and a person responsible from the Approving Authority. The TGA does not review any data relating to the clinical trial, however CTN trials cannot commence until the trial has been notified to the TGA. It is the responsibility of the sponsor to ensure that all relevant approvals are in place before supplying the 'unapproved' therapeutic goods in the clinical trial in Australia.

Under the CTA Scheme:

- a sponsor submits an application to conduct a clinical trial to the TGA for evaluation and comment, which includes payment of the relevant fees. The TGA encourages all sponsors to request a pre-submission meeting with the TGA in order to clarify any questions about existing studies or the proposed data package for the CTA application, and obtain specific advice
- from the TGA relating to the CTA application process, including the best ways to submit the application and dossier;
- the TGA will undertake a preliminary assessment to ensure that there is sufficient data to begin evaluation. If critical data is missing, the TGA may request further information;
- a sponsor must forward any comments made by the TGA Delegate to the HREC(s) at the sites where the trial will be conducted;
- the HREC is responsible for considering the scientific and ethical issues of the proposed trial protocol.

A sponsor cannot commence a trial under the CTA Scheme until written advice has been received from the TGA regarding the application and approval for the conduct of the trial has been obtained from an ethics committee and the institution at which the trial will be conducted.

Approval for inclusion in the Australian Register of Therapeutic Goods ("ARTG"), is required before a therapeutic good (including pharmaceutical product) may be marketed (or supplied, imported, exported or manufactured) in Australia. Exceptions apply to therapeutic goods/pharmaceutical products that are supplied, imported, and exported to and from Australia for the purposes of a clinical trial, on the basis that certain conditions are met (e.g., the trial is conducted in accordance with the CTN or CTA scheme).

Once a sponsor decides to register a therapeutic good/pharmaceutical product in Australia, in order to obtain registration of the product on the ARTG, it is required that (amongst others):

- the sponsor submits appropriate documentation, including the outcomes of clinical trials and studies, to allow the TGA to assess the quality, safety and efficacy of the therapeutic product/ pharmaceutical product; and
- the sponsor submits evidence which demonstrates that the manufacture of the therapeutic product/pharmaceutical product complies with the applicable GMP requirements.

The TGA has the ultimate discretion to decide whether to include the therapeutic product/ pharmaceutical product in the ARTG.

Coverage and Reimbursement

The success of our product candidates, if approved, depends on the availability of coverage and adequate reimbursement from third-party payors. We cannot be sure that coverage and reimbursement will be available for our product candidates, nor can we accurately estimate the potential revenue from them. Similarly, we cannot assure that coverage and reimbursement will be available for any product that we may develop.

In the United States, 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. Coverage and adequate reimbursement from governmental healthcare programs, such as Medicare and Medicaid, and commercial payors are critical to new product acceptance.

Government authorities and other 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. Coverage and reimbursement by a third-party payor may depend upon a number of factors, including the third-party payor's determination that the 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.

In the United States, no uniform policy of coverage and reimbursement for products exists among third-party payors. As a result, 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 each payor supporting scientific, clinical, and cost-effectiveness data for the use of our products on a payor-by-payor basis, with no assurance that coverage and adequate reimbursement will be obtained. In the United States, the principal decisions about reimbursement for new medicines are typically made by the Centers for Medicare and Medicaid Services ("CMS"). CMS decides whether and to what extent a new medicine will be covered and reimbursed under Medicare and private payors tend to follow CMS to a substantial degree. 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. Additionally, third-party payors may not cover, or provide adequate reimbursement for, long-term follow-up evaluations required following the use of product candidates, once approved. Patients are unlikely to use our product candidates, once approved, unless coverage is provided and reimbursement is adequate to cover a significant portion of their cost. There is significant uncertainty related to insurance coverage and reimbursement of newly approved products. It is difficult to predict at this time what third-party payors will decide with respect to the coverage and reimbursement for our product candidates.

Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. We cannot be sure that reimbursement will be available for any product candidate that we commercialize and, if reimbursement is available, the level of reimbursement. In addition, many pharmaceutical manufacturers must calculate and report certain price reporting metrics to the government, such as average sales price and best price. Penalties may apply in some cases when such metrics are not submitted accurately and timely. Further, these prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs. Payment methodologies may be subject to changes in healthcare legislation and regulatory initiatives.

Moreover, increasing efforts by governmental and other third-party payors in the United States and abroad to cap or reduce healthcare costs may cause such organizations to limit both coverage and the level of reimbursement for newly approved products and, as a result, they may not cover or provide adequate payment for our product candidates. 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 and enacted 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.

At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and

transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing.

We expect that healthcare reform measures that may be adopted in the future may result in more rigorous coverage criteria and in additional downward pressure on the price that we receive for any approved product. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability, or commercialize our products. Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical products. We cannot be sure whether additional legislative changes will be enacted, or whether existing regulations, guidance or interpretations will be changed, or what the impact of such changes on the marketing approvals or clearances of our product candidates, if any, may be.

In addition, in some foreign countries, the proposed pricing for a drug must be approved before it may be lawfully marketed. The requirements governing drug pricing vary widely from country to country. For example, the EU provides options for its Member States to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. To obtain reimbursement or pricing approval, some of these countries may require the completion of clinical trials that compare the cost effectiveness of a particular product candidate to currently available therapies. A Member State may approve a specific price for the medicinal product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market. There can be no assurance that any country that has price controls or reimbursement limitations for pharmaceutical products will allow favorable reimbursement and pricing arrangements for any of our product candidates. Historically, products launched in the EU do not follow price structures of the United States and generally prices tend to be significantly lower.

Healthcare Reform and Other Regulatory Changes

In the United States and some foreign jurisdictions, there have been, and likely will continue to be, a number of legislative and regulatory changes and proposed changes regarding the healthcare system directed at broadening the availability of healthcare, improving the quality of healthcare, and containing or lowering the cost of healthcare.

The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act (each as amended, collectively known as the “ACA”), which was enacted in 2010, substantially changed the way healthcare is financed by both governmental and private insurers in the United States, and significantly affected the pharmaceutical industry. The ACA contains a number of provisions of particular import to the pharmaceutical and biotechnology industries, including, but not limited to, those governing enrollment in federal healthcare programs. Since its enactment, there have been judicial and Congressional challenges to certain aspects of the ACA, and we expect there will be additional challenges and amendments to the ACA in the future.

Other legislative changes that have been proposed and adopted in the United States since the ACA was enacted include the following:

- The Budget Control Act of 2011, among other things, created measures for spending reductions by Congress. This includes aggregate reductions of Medicare payments to providers of 2% per fiscal year. Subsequent legislation extended the 2% reduction which remains in effect through 2032.
- On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into law, which eliminated the statutory Medicaid drug rebate cap, previously set at 100% of a drug’s average manufacturer price, for single source and innovator multiple source drugs, effective January 1, 2024. These laws and regulations may result in additional reductions in Medicare and other healthcare funding and otherwise affect the prices we may obtain for any of our product candidates for which we may obtain regulatory approval or the frequency with which any such product candidate is prescribed or used.

Additionally, the Inflation Reduction Act of 2022 (the "IRA") included several provisions that may impact our business to varying degrees, including provisions that reduce the out-of-pocket spending cap for Medicare Part D beneficiaries from $7,050 to $2,000 starting in 2025, thereby effectively eliminating the coverage gap; impose new manufacturer financial liability on certain drugs under Medicare Part D, allow the U.S. government to negotiate Medicare Part B and Part D price caps beginning January 1, 2026 for certain high-cost drugs and biologics without generic or biosimilar competition; require companies to pay rebates to Medicare for certain drug prices that increase faster than inflation; and delay until January 1, 2032 the implementation of the Department of Health and Human Services' rebate rule that would have limited the fees that pharmacy benefit managers can charge. Further, under the IRA, orphan drugs are exempted from the Medicare drug price negotiation program, but only if they have one orphan designation and for which the only approved indication is for that disease or condition. Under the One Big Beautiful Bill Act of 2025, this restriction was eliminated; and effective for the 2028 initial price applicability year, all orphan drugs, regardless of the number of orphan drug designations or indications, are exempt from the Medicare drug price negotiation program. Although the effects of the IRA on our business and the healthcare industry in general are not yet fully understood, we are taking into consideration the potential impact of the IRA on our development and commercialization activities.

The cost of prescription drugs and biological products has also been the subject of considerable discussion in the United States. At a federal level, President Trump reversed some of President Biden's executive orders including rescinding Executive Order 14087 entitled "Lowering Prescription Drug Costs for Americans." President Trump may issue new executive orders designed to impact prescription product pricing. A number of these and other proposed measures may require authorization through additional legislation to become effective. Congress and the Trump administration have indicated that they will continue to seek new legislative measures to control prescription product costs.

On April 15, 2025, the Trump Administration published Executive Order 14273, "Lowering Drug Prices by Once Again Putting Americans First," which generally directs the federal government to take measures to reduce drug prices, including eliminating the so-called "pill penalty" under the Inflation Reduction Act that creates a distinction between small molecule and large molecule products for purposes of determining when a drug may be eligible for drug price negotiation. On May 12, 2025, the Trump Administration published Executive Order 14297, "Delivering Most-Favored-Nation Prescription Drug Pricing to American Patients" which generally, among other things, directs the federal government to establish and communicate most-favored-nation ("MFN") price targets to pharmaceutical manufacturers to bring prices for American patients in line with comparably developed nations. Further, the Executive Order directs the federal government to support regulatory paths to allow direct-to-patient sales for companies that meet these targets. It also states that the Administration will take additional aggressive action (for example, examining whether marketing approvals should be modified or rescinded or opening the door for individual drug importation waivers) should manufacturers fail to offer American consumers the most-favored-nation lowest price. It also directs the Secretary of Commerce and the U.S. Trade Representative to "take all necessary and appropriate action to ensure foreign countries are not engaged in any act, policy, or practice that may be unreasonable or discriminatory or that may impair United States national security . . . including by suppressing the price of pharmaceutical products below fair market value in foreign countries." Notably, a similar "Most Favored Nation" pricing rule enacted under the first Trump Administration was subject to an injunction resulting from judicial challenges to the rule, which was formally rescinded by the former Biden Administration in August 2021.

On December 19, 2025, CMS released two proposed rules that would incorporate MFN pricing principles into federal reimbursement for prescription drugs. The first proposal, the Global Benchmark for Efficient Drug Pricing Model ("GLOBE") for Medicare Part B, would require manufacturers of specified single source drugs and sole source biologics to pay incremental rebates based on international benchmark prices, with participation triggered for products meeting CMS's spending and eligibility criteria. The second proposal, the Guarding U.S. Medicare Against Rising Drug Costs ("GUARD") model for Medicare Part D, would similarly mandate manufacturer rebates for qualifying sole source drugs where the Medicare net price exceeds an MFN benchmark derived from international reference pricing methodologies. As proposed, GLOBE would begin a five-year performance period on October 1, 2026 and GUARD would begin its performance period in 2027. These proposals will likely be subject to

legal challenges that could delay their implementation or modify their impact on manufacturer pricing and revenue. Additionally, in November 2025, CMS introduced the GENErating cost Reductions fOr U.S. Medicaid ("GENEROUS") Model, currently proposed as a voluntary MFN framework for manufacturers participating in the Medicaid Drug Rebate Program. Although it is voluntary, the GENEROUS Model could also impact the drug pricing landscape for manufacturers.

In addition, at the state level, legislatures have increasingly passed legislation and implemented regulations similar to those under consideration at the federal level, as well as laws designed to control pharmaceutical and biotherapeutic product pricing, including restrictions on pricing or reimbursement at the state government level, limitations on discounts to patients, marketing cost disclosure and transparency measures, restrictions or other limitations on patient assistance, and, in some cases, policies to encourage importation from other countries (subject to federal approval) and bulk purchasing. Certain states are also pursuing cost containment efforts through Prescription Drug Affordability Boards ("PDABs") and similar entities. While many PDABs have been granted authority to promote drug price transparency and reporting, some states have granted PDABs more expansive authority, including to set Upper Payment Limits ("UPLs") on select, high price drugs. The adoption and implementation of UPLs may put downward pressure on drug prices and impact our company's future revenues.

Other Healthcare Laws and Compliance Requirements

Pharmaceutical companies are subject to additional healthcare regulation and enforcement by the federal government and by authorities in the states and foreign jurisdictions in which they conduct their business that may constrain the financial arrangements and relationships through which we research, as well as sell, market and distribute any products for which we obtain marketing authorization. Arrangements with third-party payors and customers can expose pharmaceutical manufactures to broadly applicable fraud and abuse and other healthcare laws and regulations, including, without limitation, the federal Anti-Kickback Statute and the federal False Claims Act ("FCA") which may constrain the business or financial arrangements and relationships through which companies research, sell, market and distribute pharmaceutical products. In addition, transparency laws and patient privacy laws can apply to the activities of pharmaceutical manufacturers. The applicable federal, state and foreign healthcare laws and regulations that can affect a pharmaceutical company's operations include without limitation:

- The federal Anti-Kickback Statute, which prohibits, among other things, knowingly and willfully soliciting, receiving, offering, or paying any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind, to induce, or in return for, either the referral of an individual, or the purchase, lease, order or recommendation of any good, facility, item or service for which payment may be made, in whole or in part, under the Medicare and Medicaid programs, or other federal healthcare programs. A person or entity can be found guilty of violating the statute without actual knowledge of the statute or specific intent to violate it. Violations are subject to civil and criminal fines and penalties for each violation, plus up to three times the remuneration involved, imprisonment, and exclusion from government healthcare programs. 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 FCA or federal civil monetary penalties. The Anti-Kickback Statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on the one hand and prescribers, purchasers, and formulary managers on the other. There are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution, but such exceptions and safe harbors are drawn narrowly and require strict compliance in order to offer protection;
- The federal civil and criminal false claims laws, including the FCA, and civil monetary penalty laws, which prohibit any person or entity from, among other things, knowingly presenting, or causing to be presented, a false, fictitious, or fraudulent claim for payment to, or approval by, the federal government or knowingly making, using or causing to be made or used a false record or statement, including providing inaccurate billing or coding information to customers or promoting a product off-label, material to a false or fraudulent claim to the federal government.

As a result of a modification made by the Fraud Enforcement and Recovery Act of 2009, a claim includes "any request or demand" for money or property presented to the federal government. In addition, manufacturers can be held liable under the FCA 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 FCA also permits a private individual acting as a "whistleblower" to bring actions on behalf of the federal government alleging violations of the FCA and to share in any monetary recovery;

- The federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), which created federal criminal statutes that prohibit, among other things, 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, among other things, specified requirements relating to the privacy, security, and transmission of individually identifiable health information held by covered entities and their business associates as well as their covered subcontractors. 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 legislation commonly referred to as the Physician Payments Sunshine Act, created under the ACA, and its implementing regulations, which requires certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) to report annually to CMS, information related to payments or other transfers of value made to physicians, other licensed care professionals, and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members;
- Federal government price reporting laws, which require us to calculate and report complex pricing metrics in an accurate and timely manner to government programs;
- Federal consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers; and
- Additionally, we are subject to state and foreign equivalents of each of the healthcare laws and regulations described above, among others, some of which may be broader in scope and may apply regardless of the payor. Many U.S. states have adopted laws similar to the federal Anti-Kickback Statute and False Claims Act, and may apply to our business practices, including, but not limited to, research, distribution, sales, or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental payors, including private insurers. In addition, some states have passed laws that require pharmaceutical companies to comply with the April 2003 Office of Inspector General Compliance Program Guidance for Pharmaceutical Manufacturers and/or the Pharmaceutical Research and Manufacturers of America's Code on Interactions with Healthcare Professionals. Several states also impose other marketing restrictions or require pharmaceutical companies to make marketing or price disclosures to the state and require the registration of pharmaceutical sales representatives. Additionally, some state and local laws require certain regulatory licenses to manufacture or distribute our products commercially and/or the registration of pharmaceutical sales representatives in the jurisdiction. State and foreign laws, including for example the

European Union General Data Protection Regulation, which became effective May 2018 also govern the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts. There are ambiguities as to what is required to comply with these state requirements and if we fail to comply with an applicable state law requirement we could be subject to penalties. Finally, there are state and foreign laws governing the privacy and security of health information, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

The scope and enforcement of each of these laws is uncertain and subject to rapid change in the current environment of healthcare reform, especially in light of the lack of applicable precedent and regulations with respect to certain laws. Federal and state enforcement bodies have recently increased their scrutiny of interactions between healthcare companies and healthcare providers, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry. Prohibitions or restrictions on sales or withdrawal of future marketed products could materially affect our business in an adverse way. Changes in regulations, statutes or the interpretation of existing regulations could impact our business in the future by requiring, for example: (i) changes to our manufacturing arrangements; (ii) additions or modifications to product labeling; (iii) the recall or discontinuation of our products; or (iv) additional record-keeping requirements. If any such changes were to be imposed, they could adversely affect the operation of our business. Ensuring our business arrangements comply with applicable healthcare laws, as well as responding to possible investigations by government authorities, can be time- and resource-consuming and can divert a company's attention from the business.

The failure to comply with any of these laws or regulatory requirements subjects companies to possible legal or regulatory action. Depending on the circumstances, failure to meet applicable regulatory requirements can result in significant penalties, including civil, criminal, and administrative penalties, damages, fines, disgorgement, imprisonment, possible exclusion from participation in federal and state funded healthcare programs, contractual damages, and the curtailment or restricting 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 action for violation of these laws, even if successfully defended, could cause us to incur significant legal expenses and divert management's attention from the operation of the business.

Privacy and Data Security

In the ordinary course of business, we and the third parties upon which we rely collect, receive, store, or otherwise process personal data, including information we may collect about participants in our clinical trials. This personal data can also include data that is considered "sensitive" personal data under privacy laws, policies, or agreements to which we are subject. Accordingly, we are, or we may become, subject to numerous, evolving privacy and data security obligations, including global, federal, state, and local laws, regulations, guidance, industry standards, external and internal privacy and security policies, contractual requirements, and other obligations related to privacy and data security.

These privacy and data security laws are evolving and may impose potentially conflicting obligations. Such obligations may include, without limitation, federal health information privacy laws, state information security and data breach notification laws, state health information privacy laws, and federal and state consumer protection laws (e.g., the Federal Trade Commission Act). At the state level, numerous U.S. states have enacted comprehensive privacy laws that impose certain obligations on covered businesses, including providing specific disclosures in privacy notices and affording individuals certain rights concerning their personal data. Similar laws are being considered in several other states, as well as at the federal and local levels, and we expect more states to pass similar laws in the future. Additionally, a smaller number of states have passed or are considering laws governing the privacy of consumer health data. While existing state consumer privacy laws provide exemptions for data processed in the context of clinical trials, the continued development of complex requirements at the state level may further complicate compliance efforts and may impact our business activities, including our identification of research subjects, relationships with business partners and ultimately the marketing and distribution of

our products, and are examples of the increasingly stringent and evolving regulatory frameworks related to personal data processing, as more fully discussed in the section titled "*Risk Factors*."

Additionally, to the extent we collect personal data outside of the United States, through clinical trials or otherwise, we are, or may become, subject to foreign data and data security laws, such as the European Union's General Data Protection Regulation 2016/679 ("EU GDPR") and other national data protection legislation in force in relevant EEA Member States, and the EU GDPR as it forms part of UK law by virtue of section 3 of the European Union (Withdrawal) Act 2018. Foreign privacy and data security laws impose significant and complex compliance obligations on entities that are subject to those laws and may impose significant sanctions for non-compliance (including fines of up to the greater of 20 million Euros (17.5 million GBP for the UK) or 4% of worldwide annual revenue), as more fully discussed in the section titled "*Risk Factors*."

Facilities

Our corporate headquarters is located in Cambridge, Massachusetts, where we lease and occupy approximately 51,726 square feet of office and laboratory space at 399 Binney Street, Cambridge, Massachusetts. The current term of such lease expires in September 2031.

We believe that our facilities are sufficient for our current needs and for the foreseeable future. To meet the future needs of our business, we may lease additional or alternate space. We believe that suitable additional or substitute space at commercially reasonable terms will be available as needed to accommodate any future expansion of our operations.

Employees and Human Capital Resources

As of September 1, 2026, we had 81 full-time employees. Within our workforce, 71 employees were engaged in research and development, and 10 were engaged in business development, finance, legal, and general management and administration as of September 1, 2026. None of our employees are represented by labor unions or covered by collective bargaining agreements. We consider our relationship with our employees to be good.

Our human capital resources objectives include, as applicable, identifying, recruiting, retaining, incentivizing and integrating our existing and new employees, advisors and consultants. The principal purposes of our equity incentive plans are to attract, retain and reward personnel through the granting of stock-based compensation awards in order to increase shareholder value and the success of our company by motivating such individuals to perform to the best of their abilities and achieve our objectives. Our equity incentive plans are heavily weighted towards performance-based vesting (rather than time-based vesting), which further aligns employee incentives to achieve company milestones and drive shareholder value.

We believe that our future success largely depends upon our continued ability to attract and retain highly skilled employees. We provide our employees with competitive salaries and bonuses, opportunities for equity ownership, development programs that enable continued learning and growth, and a robust employment package that promotes well-being across all aspects of their lives, including health care, retirement planning and paid time off.

Legal Proceedings

From time to time, we may become involved in legal proceedings arising from the ordinary course of business. We record a liability for such matters when it is probable that future losses will be incurred and that such losses can be reasonably estimated. Significant judgment by us is required to determine both probability and the estimated amount. Our management is currently not aware of any legal matters that could have a material effect on our financial position, results of operations or cash flows.

MANAGEMENT

Executive Officers and Directors

The following table sets forth information regarding our executive officers and directors as of the date of this prospectus.

Name	Age	Position
Executive Officers:		
Andrew (Andy) Orth, M.B.A.	56	President, Chief Executive Officer and Director
Keith Regnante, M.B.A.	57	Chief Financial Officer
Baisong Mei, M.D., Ph.D.	62	Chief Medical Officer
Tracy Zimmermann, Ph.D.	57	Chief Scientific Officer
Sebastian Trousil, Ph.D.	42	Chief Operating Officer
Non-Employee Directors:		
John Maraganore, Ph.D.	63	Executive Chair
Barry Greene[2][3]	63	Director
Robert Nelsen, M.B.A.[1]	63	Director
Saraswathy (Sara) V. Nochur, Ph.D.[1][3]	65	Director
Ron Philip[1][2]	52	Director

(1) Member of the culture and compensation committee.

(2) Member of the audit committee.

(3) Member of the nominating and corporate governance committee.

Executive Officers

Andrew (Andy) Orth, M.B.A., has served as our President, Chief Executive Officer and as a member of our board of directors since December 2024. Prior to joining us, Mr. Orth served as Chief Commercial Officer of Krystal Biotech, Inc. (Nasdaq: KRYS), a global, commercial-stage biotechnology company, from May 2021 to August 2023, where he led its global commercial strategy and execution. Previously, Mr. Orth served as Senior Vice President, U.S. Region at Alnylam (Nasdaq: ALNY), a global commercial-stage biopharmaceutical company, from 2016 to 2021, where he contributed to the launch of three genetic medicines for rare diseases and the build-out of Alnylam's commercial infrastructure in the United States and Europe. Prior to Alnylam, Mr. Orth served as Vice President, Global Commercial Strategy at Biogen Inc. (Nasdaq: BIIB) from 2009 to 2016. Earlier in his career, Mr. Orth held positions in global commercial strategy, commercial operations, corporate strategy and finance at Russell Reynolds Associates Inc., Genzyme Corp. (subsequently acquired by Sanofi S.A. (Nasdaq: SNY) ("Sanofi"), Amgen Inc. (Nasdaq: AMGN) and the University of California, San Francisco. Mr. Orth received a B.S. in Philosophy and Psychology from the University of Wisconsin and an M.B.A. from Cornell University.

We believe that Mr. Orth is qualified to serve as a member of our board of directors because of his extensive executive leadership and commercial experience across the biopharmaceutical industry, including senior leadership roles at publicly traded biotechnology companies.

Keith Regnante, M.B.A., has served as our Chief Financial Officer since August 2026. Prior to joining us, he served as Chief Financial Officer of Keros Therapeutics, Inc. (Nasdaq: KROS), a clinical-stage biopharmaceutical company, from February 2020 to August 2026. Previously, from August 2016 to January 2020, Mr. Regnante served as Chief Financial Officer of Wave Life Sciences Ltd. (Nasdaq: WVE), a clinical-stage biotechnology company. From February 2014 to August 2016, Mr. Regnante served as Vice President of Finance at Shire plc (formerly Nasdaq: SHPG), a global biotechnology company subsequently acquired by Takeda Pharmaceutical Company Limited, where he was a member of the Financial Leadership Team and the R&D Leadership Team. Earlier in his career, Mr. Regnante served as Head of R&D Finance at ARIAD Pharmaceuticals, Inc. and held

finance leadership positions of increasing responsibility at Biogen Inc., including Senior Director of Corporate Finance and Senior Director of Global R&D Finance. Mr. Regnante began his career as a consultant at The Boston Consulting Group. Mr. Regnante received a B.A. in Economics from Tufts University and an M.B.A. from the MIT Sloan School of Management.

Baisong Mei, M.D., Ph.D., has served as our Chief Medical Officer since March 2025. Previously, Dr. Mei served as Executive Vice President and Chief Medical Officer at Editas Medicine, Inc. (Nasdaq: EDIT) ("Editas"), a gene editing company developing transformative medicines for serious diseases, from July 2022 to December 2024. Prior to Editas, Dr. Mei served as Senior Global Project Head in Rare Disease and Rare Blood Disorders at Sanofi, a global biopharmaceutical company, from January 2017 to July 2022. Before joining Sanofi, Dr. Mei served as Therapeutic Area Head for Hematology Clinical Development at Biogen Inc. Earlier in his career, Dr. Mei held roles in drug discovery research and chemistry, manufacturing and controls development at Biogen and Bayer AG. Dr. Mei received a Bachelor of Medicine from Bengbu Medical University, China, a Master of Medicine from Wuhan University School of Medicine, China, and a Ph.D. in Biochemistry and Molecular Biology from the University of Toledo, and held postdoctoral fellowships at the University of California San Francisco and the University of California Berkeley.

Tracy Zimmermann, Ph.D., has served as our Chief Scientific Officer since May 2024. Prior to joining us, Dr. Zimmermann served in roles of increasing responsibility at Generation Bio Co. (Nasdaq: GBIO) (acquired by XOMA Royalty Corporation (Nasdaq: XOMA)), a biotechnology company, most recently as Chief Development Officer from November 2020 to January 2024, after serving as Vice President, Preclinical Research and Translational Biology from October 2018 to November 2020. Previously, Dr. Zimmermann spent 15 years at Alnylam, serving in research leadership positions spanning RNAi platform development and early-stage therapeutic programs, where she contributed to the development of ONPATTRO, GIVLAARI and AMVUTTRA. Earlier in her career, Dr. Zimmermann served as a Senior Scientist at Variagenics, Inc. (subsequently merged with Hyseq Pharmaceuticals Inc., which was renamed Nuvelo, Inc.). Dr. Zimmermann received a B.S. in Biochemistry from Lehigh University and a Ph.D. in Chemistry from the University of Colorado Boulder and completed a postdoctoral fellowship at Harvard Medical School.

Sebastian Trousil, Ph.D., one of our co-founders, has served as our Chief Operating Officer since September 2023. Prior to joining us, Dr. Trousil served as Principal, New Ventures at RTW Investments, LP, an investment firm, from March 2021 to February 2023. During that time, Dr. Trousil also served as Chief Operating Officer of Yarrow Biotechnology, Inc., a biotechnology company, from January 2021 to February 2023. Dr. Trousil co-founded Harbinger Health, Inc., a liquid biopsy company focused on early cancer detection, and served in leadership roles during its early development. Earlier in his career, Dr. Trousil worked at Flagship Pioneering, a life sciences venture capital and company-building firm. Dr. Trousil received an M.Pharm. from the University of Vienna, Austria, and a Ph.D. in Pharmacology and Cancer Research from Imperial College London, England and completed postdoctoral research at Harvard Medical School and Massachusetts General Hospital, where he was awarded the Tosteson & Fund for Medical Discovery Postdoctoral Fellowship.

Non-Executive Directors

John Maraganore, Ph.D., one of our co-founders, has served as our Executive Chair and a member of our board of directors since September 2023. Dr. Maraganore has served as Principal of JMM Innovations, LLC, a strategic consulting firm, since January 2022, and as Co-Chief Executive Officer of Corsera Health, Inc., a privately held biotechnology company, since September 2024. He also currently serves as a Venture Partner at ARCH Venture Partners, a Venture Advisor at Atlas Venture, a Senior Advisor at Blackstone Life Sciences, a Senior Advisor at Jefferies Financial Services, and an Executive Partner at RTW Investments, LP, each an investment and venture capital firm. Previously, Dr. Maraganore served as founding Chief Executive Officer and as a member of the board of directors of Alnylam from December 2002 to December 2021, and as President of Alnylam from December 2002 to December 2007. Dr. Maraganore currently serves on the boards of directors of Kymera Therapeutics, Inc. (Nasdaq: KYMR), Beam Therapeutics Inc. (Nasdaq: BEAM) ("Beam Therapeutics"), Rapport Therapeutics, Inc. (Nasdaq: RAPP), Hemab Therapeutics Holdings, Inc. (Nasdaq: COAG) and Takeda

Pharmaceutical Company Limited (NYSE: TAK). He previously served on the boards of directors of Agios Pharmaceuticals, Inc. (Nasdaq: AGIO) from June 2010 to May 2023 and ProKidney Corp. (Nasdaq: PROK) from August 2022 to May 2024. Dr. Maraganore received a B.A. in Biological Sciences and M.S. and Ph.D. degrees in Biochemistry and Molecular Biology, each from the University of Chicago.

We believe that Dr. Maraganore is qualified to serve as our Executive Chair and a member of our board of directors because of his extensive executive leadership experience in the biopharmaceutical industry, including his service as Chief Executive Officer of Alnylam and his service on the boards of directors of multiple publicly traded biopharmaceutical companies.

Barry Greene has served as a member of our board of directors since September 2024. Mr. Greene served as President and Chief Executive Officer of Sage Therapeutics, Inc. (Nasdaq: SAGE) ("Sage"), a biopharmaceutical company, from December 2020 until it was acquired by Supernus Pharmaceuticals, Inc. (Nasdaq: SUPN) in July 2025. Prior to joining Sage, Mr. Greene served as President of Alnylam from 2007 through September 2020 and as Chief Operating Officer from September 2003 to December 2020. Prior to joining Alnylam, Mr. Greene served as General Manager of Oncology at Millennium Pharmaceuticals, Inc. Earlier in his career, Mr. Greene served as Executive Vice President and Chief Business Officer at Mediconsult.com, Inc., Vice President of Marketing and Customer Services and Vice President, Strategic Integration at AstraZeneca PLC (Nasdaq: AZN), and Partner at Andersen Consulting. Mr. Greene currently serves on the board of directors of Karyopharm Therapeutics, Inc. (Nasdaq: KPTI) and Dyne Therapeutics, Inc. (Nasdaq: DYN). He previously served on the boards of directors of Acorda Therapeutics, Inc. (Nasdaq: ACOR) from January 2007 to August 2021 and BCLS Acquisition Corporation (Nasdaq: BLSA) from October 2020 to October 2022. Mr. Greene received a B.S. in Industrial Engineering from the University of Pittsburgh and completed the Senior Scholars executive program at Duke University's Medical School and Fuqua School of Business.

We believe that Mr. Greene's extensive operational and executive leadership experience across biopharmaceutical companies, including his tenure as a public company chief executive officer and his significant commercial and business development expertise, qualify him to serve as a member of our board of directors.

Robert Nelsen, M.B.A., has served as a member of our board of directors since July 2023. Mr. Nelsen co-founded ARCH Venture Partners, a venture capital firm focused on early-stage technology companies, in 1986, and has served as a Managing Director of ARCH Venture Partners or its affiliated entities since 1994. Mr. Nelsen currently serves on the boards of directors of several publicly-traded biotechnology companies, including Prime Medicine, Inc. (Nasdaq: PRME), Sana Biotechnology, Inc. (Nasdaq: SANA), and Hua Medicine, Inc. (HKEX: 2552). Mr. Nelsen also currently serves on the boards of directors of a number of privately-held biotechnology companies and previously served on the boards of directors of several publicly-traded biotechnology and biopharmaceutical companies, including VIR Biotechnology, Inc. (Nasdaq: VIR) from 2017 to May 2025, Lyell Immunopharma, Inc. (Nasdaq: LYEL) from 2019 to May 2025, Seaport Therapeutics, Inc. (Nasdaq: SPTX) from 2024 to April 2026, Brii Biosciences Limited (HKEX: 2137) from 2019 to July 2024, Neumora Therapeutics, Inc. (Nasdaq: NMRA) from 2020 to September 2023, Revolution Healthcare Acquisition Corp. (Nasdaq: REVH) from 2021 to April 2022, Denali Therapeutics Inc. (Nasdaq: DNLI) from 2015 to June 2022, Beam Therapeutics from 2017 to June 2021, and Karuna Therapeutics, Inc. (Nasdaq: KRTX) (subsequently acquired by Bristol Myers Squibb) from 2018 to June 2021. Mr. Nelsen received his B.S. from the University of Puget Sound in Economics and Biology and his M.B.A. from the University of Chicago.

We believe that Mr. Nelsen is qualified to serve on our board of directors because of his extensive experience as a venture capitalist, building and serving on the boards of many public and private emerging companies, including multiple life sciences, biotechnology and pharmaceutical companies.

Saraswathy (Sara) V. Nochur, Ph.D., has served as a member of our board of directors since February 2025. Dr. Nochur has served as an independent consultant in regulatory affairs and drug development since June 2024. Previously, Dr. Nochur served in roles of increasing responsibility at Alnylam, most recently as Chief Diversity, Equity and Inclusion Officer from January 2021 to May 2024. Prior to that, she oversaw global regulatory affairs at Alnylam as Vice President of Regulatory Affairs,

Senior Vice President of Regulatory Affairs, and Chief Regulatory Officer from May 2005 to December 2020, and she also served as a member of Alnylam's management board. Prior to joining Alnylam, Dr. Nochur served in roles of increasing responsibility in regulatory affairs at The Medicines Company, most recently as Vice President of Regulatory Affairs. Dr. Nochur previously served on the boards of directors of Decibel Therapeutics, Inc. (Nasdaq: DBTX) from December 2021 until its acquisition by Regeneron Pharmaceuticals, Inc. (Nasdaq: REGN) in September 2023 and Marinus Pharmaceuticals, Inc. (Nasdaq: MRNS) from March 2021 to November 2024. Dr. Nochur received a B.S. in Microbiology and Chemistry, an M.S. in Microbiology from the University of Bombay, India, and a Ph.D. in Biochemical Engineering from the Massachusetts Institute of Technology.

We believe that Dr. Nochur is qualified to serve on our board of directors due to her extensive experience in drug development, regulatory strategy and the regulatory approval process.

Ron Philip has served as a member of our board of directors since July 2024. Mr. Philip served as Chief Executive Officer and as a member of the board of directors of Orbital Therapeutics, Inc. ("Orbital"), a biopharmaceutical company focused on RNA-based medicines, from August 2024 until its acquisition by Bristol Myers Squibb (NYSE: BMY) in December 2025. Prior to joining Orbital, Mr. Philip served in roles of increasing responsibility at Spark Therapeutics, Inc. (formerly Nasdaq: ONCE) from May 2017 to August 2024, most recently as Chief Executive Officer. Prior to joining Spark Therapeutics, Mr. Philip served in various roles at Pfizer Inc. (NYSE: PFE) from November 2009 to October 2016. Mr. Philip currently serves on the board of directors of Harmony Biosciences Holdings, Inc. (Nasdaq: HRMY), Avalo Therapeutics, Inc. (Nasdaq: AVTX) and serves as Executive Chair of CREATE Medicines, Inc. Mr. Philip received a B.S. in Computer Information Systems from Drexel University.

We believe that Mr. Philip is qualified to serve on our board of directors because of his extensive experience in the life sciences industry, including leading teams focused on the development and commercialization of novel treatments, and his demonstrated business and strategic acumen.

Family Relationships

There are no family relationships among any of our executive officers or directors.

Composition of Our Board of Directors

Our business and affairs are managed under the direction of our board of directors, which currently consists of six members. The primary responsibilities of our board of directors are to provide oversight, strategic guidance, counseling and direction to our management. Our board of directors meets on a regular basis and additionally as required.

Certain members of our board of directors were elected under the provisions of our amended and restated certificate of incorporation and agreements with our stockholders. These board composition provisions will terminate upon the completion of this offering. Upon the termination of these provisions, there will be no further contractual obligations regarding the election of our directors. Our nominating and corporate governance committee and our board of directors may therefore consider a broad range of factors relating to the qualifications and background of nominees. Our nominating and corporate governance committee's and our board of directors' priority in selecting board members is the identification of persons who will further the interests of our stockholders through their established record of professional accomplishment, the ability to contribute positively to the collaborative culture among board members, knowledge of our business, understanding of the competitive landscape, professional and personal experiences, and expertise relevant to our growth strategy. Our directors hold office until their successors have been elected and qualified or until the earlier of their resignation or removal. Our amended and restated certificate of incorporation, which will become effective immediately prior to the completion of this offering, and our amended and restated bylaws, which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part, will also provide that our directors may be removed only for cause by the affirmative vote of the holders of at least two-thirds of the votes that all our stockholders would be entitled to cast in an annual election of directors, and that any vacancy on our board of directors, including a vacancy resulting from an enlargement of our board of directors, may be filled only by vote of a majority of our directors then in office.

Staggered Board

Our amended and restated certificate of incorporation, which will become effective immediately prior to the completion of this offering, and our amended and restated bylaws, which will be effective upon the effectiveness of the registration statement of which this prospectus forms a part, will permit our board of directors to establish the authorized number of directors from time to time by resolution. Each director serves until the expiration of the term for which such director was elected or appointed, or until such director's earlier death, resignation or removal. In accordance with our amended and restated certificate of incorporation, our board of directors will be divided into three classes with staggered three-year terms. At each annual meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. Our directors will be divided among the three classes as follows:

- the Class I directors will be Andrew Orth, M.B.A. and Ron Philip, and their terms will expire at our first annual meeting of stockholders following this offering, to be held in 2027;
- the Class II directors will be John Maraganore, Ph.D. and Barry Greene, and their terms will expire at our second annual meeting of stockholders following this offering, to be held in 2028; and
- the Class III directors will be Robert Nelsen, M.B.A. and Sara Nochur, Ph.D., and their terms will expire at our third annual meeting of stockholders following this offering, to be held in 2029.

We expect that any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one third of the directors. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control.

This classification of our board of directors may have the effect of delaying or preventing changes in control of our company.

Director Independence

Under the listing standards, requirements and rules of The Nasdaq Stock Market LLC (the "Nasdaq Listing Rules"), independent directors must comprise a majority of our board of directors as a listed company within one year of the listing date. In addition, the Nasdaq Listing Rules require that, subject to specified exceptions, and phase-in periods following its initial public offering, each member of a listed company's audit committee must have at least three members and its compensation committee must have two members, and each member of its audit, compensation, and nominating and governance committees be independent within twelve months from the date of listing. Audit committee members must also satisfy additional independence criteria, including those set forth in Rule 10A-3 under the Exchange Act, and compensation committee members must also satisfy the independence criteria set forth in Rule 10C-1 under the Exchange Act. Under the Nasdaq Listing Rules, a director will only qualify as an "independent director" if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In order to be considered independent for purposes of Rule 10A-3 under the Exchange Act, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee: (i) accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries, other than compensation for board service; or (ii) be an affiliated person of the listed company or any of its subsidiaries. In order to be considered independent for purposes of Rule 10C-1 under the Exchange Act, the board of directors must consider, for each member of a compensation committee of a listed company, all factors specifically relevant to determining whether a director has a relationship to such company which is material to that director's ability to be independent from management in connection with the duties of a compensation committee member, including, but not limited to: the source of compensation of the director, including any consulting advisory or other compensatory fee paid by such company to the director, and whether the director is affiliated with the company or any of its subsidiaries or affiliates.

Our board of directors has undertaken a review of the independence of each director. Based on information provided by each director concerning her or his background, employment, and affiliations, including family relationships, our board of directors has determined that each of Barry Greene, Robert Nelsen, M.B.A., Sara Nochur, Ph.D. and Ron Philip does not have relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under the Nasdaq Listing Rules. Our board of directors has determined that Mr. Orth, by virtue of his position as our current President and Chief Executive Officer, and Dr. Maraganore, by virtue of his current consulting arrangement with the Company, are not independent under applicable rules and regulations of the SEC and the Nasdaq Listing Rules. In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our shares by each non-employee director and the transactions described in the section titled "*Certain Relationships and Related Person Transactions*."

Board Policies

In connection with this offering, we have adopted policies and procedures for director candidates for our nominating and corporate governance committee, which will provide that factors, such as a candidate's character, judgment, skills, education, expertise, and absence of conflicts of interest should be considered in determining director candidates. Our priority in selection of board members will be identification of members who will further the interests of our stockholders through their established records of professional accomplishment, their ability to contribute positively to the collaborative culture among board members, and their knowledge of our business and understanding of the competitive landscape in which we operate and adherence to high ethical standards.

Board Leadership Structure and Board's Role in Risk Oversight

Currently, the role of executive chair of our board of directors is separated from the role of Chief Executive Officer. We believe that separating these positions allows our Chief Executive Officer to focus on our day-to-day business, while allowing the executive chair of our board to lead the board of directors in its fundamental role of providing advice to and independent oversight of management. Our board of directors recognizes the time, effort and energy that the chief executive officer is required to devote to his position in the current business environment, as well as the commitment required to serve as our chair of our board of directors, particularly as the board of directors' oversight responsibilities continue to grow. While our amended and restated bylaws and corporate governance guidelines will not require that our board chair and chief executive officer positions be separate, our board of directors believes that having separate positions is the appropriate leadership structure for us at this time and demonstrates our commitment to good corporate governance. Our board of directors will adopt, effective prior to the completion of this offering, corporate governance guidelines that will provide that the board of directors may appoint a lead independent director. The lead independent director will be responsible for calling and presiding over separate meetings of the independent directors. The lead independent director will preside over periodic meetings of independent directors, serve as a liaison between the chair and the independent directors and perform such additional duties as the board of directors may otherwise determine and delegate.

Risk is inherent with every business, and how well a business manages risk can ultimately determine its success. We face a number of risks, including risks relating to our financial condition, development, and commercialization activities, operations, strategic direction, and intellectual property as more fully discussed in the section titled "*Risk Factors*." Management is responsible for the day-to-day management of risks we face, while our board of directors, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, our board of directors has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed.

The role of the board of directors in overseeing the management of our risks is conducted primarily through committees of the board of directors, as disclosed in the descriptions of each of the committees

below and in the charters of each of the committees. The full board of directors (or the appropriate board committee in the case of risks that are under the purview of a particular committee) discusses with management our major risk exposures, their potential impact on us, and the steps we take to manage them. When a board committee is responsible for evaluating and overseeing the management of a particular risk or risks, the chairperson of the relevant committee reports on the discussion to the full board of directors during the committee reports portion of the next board meeting. This enables the board of directors and its committees to coordinate the risk oversight role, particularly with respect to risk interrelationships.

Committees of Our Board of Directors

Our board of directors has established an audit committee, a culture and compensation committee, and a nominating and corporate governance committee. The composition and responsibilities of each of the committees of our board of directors are described below. Members serve on these committees until their resignation or until otherwise determined by our board of directors. Each committee has adopted a written charter that satisfies the applicable rules and regulation of the SEC and the Nasdaq Listing Rules, which we will post to our website at *www.citytx.com* upon the completion of this offering. Information contained on, or accessible through, our website is not a part of this prospectus, and the inclusion of our website address in this prospectus is only an inactive textual reference. Our board of directors may establish other committees as it deems necessary or appropriate from time to time.

Audit Committee

Upon the effectiveness of the registration statement of which this prospectus forms a part, our audit committee will consist of Barry Greene and Ron Philip, and the chair of our audit committee will be Barry Greene. Our board of directors has determined that each member of the audit committee is independent under Nasdaq Listing Rules and Rule 10A-3(b)(1) of the Exchange Act and can read and understand fundamental financial statements in accordance with applicable requirements. We intend to rely on the phase-in provisions of Nasdaq Listing Rule 5615, which permit companies listing in connection with their initial public offering to phase-in compliance with the heightened audit committee independence requirements. Specifically, we will be required to have an audit committee of at least three directors that satisfy the heightened audit committee independence requirements within one year of listing. We intend to comply with such requirements within the allotted timeframe. Our board of directors has also determined that Barry Greene is an “audit committee financial expert” within the meaning of SEC regulations. In arriving at these determinations, our board of directors has examined each audit committee member’s scope of experience and the nature of their employment in the corporate finance sector.

The primary purpose of the audit committee will be to discharge the responsibilities of our board of directors with respect to our corporate accounting and financial reporting processes, systems of internal control and financial-statement audits, and to oversee our independent registered public accounting firm. Specific responsibilities of our audit committee will include:

- helping our board of directors oversee our corporate accounting and financial reporting processes;
- coordinating the oversight and reviewing the adequacy of our internal control over financial reporting;
- managing the selection, engagement, qualifications, independence, and performance of a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;
- discussing the scope and results of the audit with the independent registered public accounting firm, and reviewing, with management and the independent accountants, our interim and year-end operating results;
- developing procedures for employees to submit concerns anonymously about questionable accounting or audit matters;

- reviewing and approving related person transactions;
- reviewing the overall audit plan with our independent registered public accounting firm and members of management responsible for preparing our financial statements;
- recommending, based upon the audit committee's review and discussions with management and our independent registered public accounting firm, whether our audited financial statements shall be included in our Annual Report on Form 10-K;
- overseeing the preparation of our annual proxy statement, reviewing with management our financial statements to be included in our quarterly reports to be filed with the SEC, and reviewing with management the "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" disclosures in our periodic reports filed with the SEC;
- monitoring the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to our financial statements and accounting matters;
- overseeing our risk management policies, procedures and practices, including those related to cybersecurity; and
- approving, or, as permitted, pre-approving, audit and permissible non-audit services to be performed by the independent registered public accounting firm.

Our audit committee will operate under a written charter, which will be effective upon the effectiveness of the registration statement of which this prospectus forms a part, that satisfies the applicable Nasdaq Listing Rules.

Culture and Compensation Committee

Upon the effectiveness of the registration statement of which this prospectus forms a part, our culture and compensation committee will consist of Ron Philip, Sara Nochur, Ph.D. and Robert Nelsen, M.B.A., and the chair of our culture and compensation committee will be Ron Philip. Our board of directors has determined that each member of the culture and compensation committee is independent under the Nasdaq Listing Rules and is a "non-employee director" as defined in Rule 16b-3 promulgated under the Exchange Act.

The primary purpose of our culture and compensation committee will be to discharge the responsibilities of our board of directors in overseeing our compensation policies, plans, and programs and to review and determine the compensation to be paid to our executive officers, directors, and other senior management, as appropriate. Specific responsibilities of our culture and compensation committee will include:

- annually reviewing and recommending to our board of directors the corporate goals and objectives relevant to the compensation of our Chief Executive Officer;
- evaluating the performance of our Chief Executive Officer in light of such corporate goals and objectives and, based on such evaluation, recommending to our board of directors the compensation of our Chief Executive Officer;
- reviewing and approving the compensation arrangements with our other executive officers and certain other senior management;
- reviewing and recommending to our board of directors the compensation paid to our directors;
- administering our equity incentive plans and other benefit programs;
- overseeing and administering our compensation and similar plans;
- reviewing and approving our policies and procedures for the grant of equity-based awards;
- preparing our culture and compensation committee report if and when required by SEC rules;
- reviewing and establishing general policies relating to compensation and benefits of our employees, including our overall compensation philosophy;

- reviewing and discussing annually with management our "Compensation Discussion and Analysis," if and when required, to be included in our annual proxy statement; and
- assisting our board of directors in overseeing our strategies, programs and initiatives related to employee development, engagement, pay equity, succession, and workplace culture and inclusion, and periodically reviewing and making recommendations regarding succession planning for our Chief Executive Officer and other key officers.

Our culture and compensation committee will operate under a written charter, which will be effective upon the effectiveness of the registration statement of which this prospectus forms a part, that satisfies the applicable Nasdaq Listing Rules.

Nominating and Corporate Governance Committee

Upon the effectiveness of the registration statement of which this prospectus forms a part, our nominating and corporate governance committee will consist of Barry Greene and Saraswathy Nochur, Ph.D., and the chair of our nominating and corporate governance committee will be Barry Greene. Our board of directors has determined that each member of the nominating and corporate governance committee is independent under the Nasdaq Listing Rules, a non-employee director, and free from any relationship that would interfere with the exercise of his or her independent judgment.

The primary purpose of the nominating and corporate governance committee is to discharge the responsibilities of our board of directors with respect to our corporate governance functions and to identify, communicate with, evaluate and recommend candidates for our board of directors. Specific responsibilities of our nominating and corporate governance committee include:

- identifying and evaluating candidates, including the nomination of incumbent directors for reelection and nominees recommended by stockholders, to serve on our board of directors;
- considering and making recommendations to our board of directors regarding the composition and chairmanship of the committees of our board of directors;
- instituting plans or programs for the continuing education of our board of directors and orientation of new directors;
- developing and recommending to the board of directors criteria for board and committee membership;
- establishing procedures for identifying and evaluating board of director candidates, including nominees recommended by stockholders;
- developing and making recommendations to our board of directors regarding corporate governance guidelines and matters and periodically reviewing and reassessing the adequacy of our corporate governance guidelines and Code of Conduct and Business Ethics; and
- overseeing annual evaluations of the board of directors' performance, including committees of the board of directors and management.

Our nominating and corporate governance committee will operate under a written charter, which will be effective upon the effectiveness of the registration statement of which this prospectus forms a part, that satisfies the applicable Nasdaq Listing Rules.

Code of Business Conduct and Ethics

In connection with this offering, we have adopted a written code of business conduct and ethics that applies to all our employees, officers and directors, effective upon the effectiveness of the registration statement of which this prospectus forms a part. This includes our principal executive officer, principal financial officer and principal accounting officer or controller, or persons performing similar functions. The full text of our code of business conduct and ethics will be posted on our website at *www.citytx.com*. We intend to disclose on our website any future amendments of our code of business

conduct and ethics or waivers that exempt any principal executive officer, principal financial officer, principal accounting officer or controller, persons performing similar functions or our directors from provisions in the code of business conduct and ethics. Information contained on, or accessible through, our website is not a part of this prospectus, and the inclusion of our website address in this prospectus is only an inactive textual reference.

Compensation Committee Interlocks and Insider Participation

None of the members of the culture and compensation committee is currently, or has been at any time, one of our officers or employees. None of our officers currently serves, or has served during the last calendar year, as a member of the board of directors or culture and compensation committee of any entity that has one or more executive officers serving as a member of our board of directors or culture and compensation committee.

Compensation Recovery

In accordance with the requirements of the SEC and Nasdaq Listing Rules, our board of directors has adopted a compensation recovery policy, which will become effective upon the effectiveness of the registration statement of which this prospectus is part. The compensation recovery policy will provide that in the event we are required to prepare a restatement of financial statements due to material noncompliance with any financial reporting requirement under securities laws, we will seek to recover any incentive-based compensation that was based upon the attainment of a financial reporting measure and that was received by any current or former executive officer during the three-year period preceding the date that the restatement was required if such compensation exceeds the amount that the executive officers would have received based on the restated financial statements.

Limitations on Liability and Indemnification

As permitted by Delaware law, provisions in our amended and restated certificate of incorporation, which will become effective immediately prior to the completion of this offering, and our amended and restated bylaws, which will be effective upon the effectiveness of the registration statement of which this prospectus forms a part, limit or eliminate the personal liability of directors and officers for a breach of their fiduciary duty of care as a director or officer. The duty of care generally requires that, when acting on behalf of the corporation, a director or officer exercise an informed business judgment based on all material information reasonably available to him or her. Consequently, a director or officer will not be personally liable to us or our stockholders for monetary damages or breach of fiduciary duty as a director or officer, except for liability for:

- any breach of the officer or director's duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- for our directors, unlawful payments of dividends or unlawful stock repurchases, or redemptions as provided in Section 174 of the DGCL;
- for our officers, any derivative action by or in the right of the corporation;
- any act related to unlawful stock repurchases, redemptions or other distributions or payments of dividends; or
- any transaction from which the director or officer derived an improper personal benefit.

These limitations of liability do not limit or eliminate our rights or any stockholder's rights to seek non-monetary relief, such as injunctive relief or rescission. These provisions will not alter a director or officer's liability under other laws, such as the federal securities laws or other state or federal laws. Our amended and restated certificate of incorporation that will become effective upon the completion of this offering also will authorize us to indemnify our officers, directors, and other agents to the fullest extent permitted under Delaware law.

As permitted by Delaware law, our amended and restated bylaws, which will be effective upon effectiveness of the registration statement of which this prospectus forms a part, will provide that:

- we will indemnify our directors, officers, employees and other agents to the fullest extent permitted by law;
- we must advance expenses to our directors and officers, and may advance expenses to our employees and other agents, in connection with a legal proceeding to the fullest extent permitted by law; and
- the rights provided in our amended and restated bylaws are not exclusive.

If Delaware law is amended to authorize corporate action further eliminating or limiting the personal liability of a director or officer, then the liability of our directors or officers will be so eliminated or limited to the fullest extent permitted by Delaware law, as so amended. Our amended and restated bylaws will also permit us to secure insurance on behalf of any officer, director, employee, or other agent for any liability arising out of his or her actions in connection with their services to us, regardless of whether our amended and restated bylaws permit such indemnification. We intend to obtain such insurance.

In addition to the indemnification that will be provided for in our amended and restated certificate of incorporation and amended and restated bylaws, we plan to enter into separate indemnification agreements with each of our directors and executive officers, which may be broader than the specific indemnification provisions contained in the DGCL. These indemnification agreements may require us, among other things, to indemnify our directors and executive officers for some expenses, including attorneys' fees, expenses, judgments, fines, and settlement amounts incurred by a director or executive officer in any action or proceeding arising out of his service as one of our directors or executive officers or any other company or enterprise to which the person provides services at our request. We believe that these provisions and agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

This description of the indemnification provisions of our amended and restated certificate of incorporation, our amended and restated bylaws and our indemnification agreements is qualified in its entirety by reference to these documents, each of which is attached as an exhibit to the registration statement of which this prospectus forms a part.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable.

There is no pending litigation or proceeding naming any of our directors or officers as to which indemnification is being sought, nor are we aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.

Rule 10b5-1 Sales Plans

Our directors and executive officers may adopt written plans, known as Rule 10b5-1 plans, in which they will contract with a broker to buy or sell shares of our common stock on a periodic basis. Under a Rule 10b5-1 plan, a broker executes trades pursuant to parameters established by the director or officer when entering into the plan, without further direction from them. The director or officer may amend a Rule 10b5-1 plan in some circumstances and may terminate a plan at any time. Our directors and executive officers also may buy or sell additional shares outside of a Rule 10b5-1 plan when they are not in possession of material nonpublic information subject to compliance with the terms of our insider trading policy. Prior to 180 days after the date of this offering, subject to early termination, the sale of any shares under such plans would be prohibited by the lock-up agreement that the director or officer has entered into with the underwriters.

EXECUTIVE COMPENSATION

The following discussion contains forward-looking statements that are based on our current plans, considerations, expectations, and determinations regarding future compensation programs. The actual amount and form of compensation and the compensation policies and practices that we adopt in the future may differ materially from the programs as summarized in this discussion.

As an emerging growth company and a smaller reporting company, we have opted to comply with the executive compensation disclosure rules applicable to "emerging growth companies" and "smaller reporting companies," as such terms are defined in the rules promulgated under the Securities Act. The compensation provided to our named executive officers for the fiscal year ended December 31, 2025 ("Fiscal Year 2025") is detailed in the 2025 Summary Compensation Table and accompanying footnotes and narrative that follow.

Our named executive officers for Fiscal Year 2025 are:

- Andrew (Andy) Orth, M.B.A., our President and Chief Executive Officer;
- Baisong Mei, M.D., Ph.D., our Chief Medical Officer; and
- Tracy Zimmermann, Ph.D., our Chief Scientific Officer.

To date, the compensation of our named executive officers has consisted of a combination of base salary, cash incentive compensation, and long-term incentive compensation, as more fully described below. Our named executive officers, like all full-time employees, are eligible to participate in our health, welfare, and retirement benefit plans. As we transition from a private company to a publicly traded company, we intend to evaluate our compensation values and philosophy and compensation plans and arrangements as circumstances require.

2025 Summary Compensation Table

The following table shows the total compensation earned by, or paid to, our named executive officers for services rendered to us in all capacities during Fiscal Year 2025.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Option Awards[1] ($)	Non-Equity Incentive Plan Compensation[2] ($)	All Other Compensation[3] ($)	Total ($)
Andrew Orth, M.B.A. *President and Chief Executive Officer*	2025	475,000	—	—	188,100	14,000	677,100
Baisong Mei, M.D., Ph.D. *Chief Medical Officer*[4]	2025	358,077	50,000[5]	364,236	110,226	9,500	892,039
Tracy Zimmermann, Ph.D. *Chief Scientific Officer*	2025	499,200	—	19,831	153,754	14,000	686,785

(1) The amounts reported represent the aggregate grant date fair value of stock option awards granted in Fiscal Year 2025, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 ("FASB ASC Topic 718"). Such grant date fair values do not take into account any estimated forfeitures related to service-based vesting. The assumptions used in calculating the grant date fair values of the option awards reported in this column are set forth in Note 12 of our consolidated financial statements for Fiscal Year 2025, included elsewhere in this prospectus. The amounts reported in this column reflect the accounting cost for these option awards and do not correspond to the actual economic value that may be received by our named executive officers upon the exercise of the option awards or any sale of the underlying securities.

(2) The amounts reported represent the annual cash incentive bonuses earned for Fiscal Year 2025 based on achievement of corporate performance measures and individual performance, as described in more detail under the heading "*2025 Cash Bonuses*" below. The bonus paid to Dr. Mei was prorated to reflect his partial year of employment.

(3) The amounts reported represent 401(k) employer matching contributions made by us on behalf of each named executive officer under our 401(k) plan.

(4) Dr. Mei commenced employment with us in March 2025. The amount reported in the salary column represents the amount actually earned for his partial year of employment.

(5) The amount reported represents a sign-on bonus in the amount of $50,000 in connection with the commencement of Dr. Mei's employment with us in 2025.

Narrative Disclosure to the 2025 Summary Compensation Table

2025 Base Salaries

Our named executive officers each receive a base salary to compensate them for services rendered to us. Base salaries are intended to provide a fixed component of compensation reflecting the executive's skill set, experience, role, and responsibilities. Base salaries are expected to be reviewed annually, typically in connection with our annual performance review process, approved by our board of directors or the culture and compensation committee of the board of directors, and may be adjusted from time to time to realign salaries with market levels after taking into account individual responsibilities, performance, and experience.

For Fiscal Year 2025, the base salaries for Mr. Orth, Dr. Mei, and Dr. Zimmermann were $475,000, $475,000, and $499,200, respectively.

In the event that the Company successfully consummates this offering on or prior to December 31, 2026, the annual base salaries for Mr. Orth and Dr. Mei will increase to $600,000 and $515,000, respectively, in each case effective as of the consummation of this offering.

2025 Cash Bonuses

Our named executive officers are eligible to receive annual performance-based cash bonuses, which are designed to provide appropriate incentives to our executives to achieve corporate performance goals and to reward our executives for individual achievement towards these goals. For Fiscal Year 2025, each of the named executive officers was eligible to earn an annual performance bonus based on the achievement of certain corporate performance and individual performance goals. For Fiscal Year 2025, the target annual bonus for Mr. Orth, Dr. Mei, and Dr. Zimmermann was 45%, 35%, and 35% of base salary, respectively. Based on the level of achievement of the applicable corporate performance measures and individual performance goals, annual bonuses for Fiscal Year 2025 were paid at 88% of target. Dr. Mei's Fiscal Year 2025 annual bonus was prorated based on his start date.

In the event that the Company successfully consummates this offering on or prior to December 31, 2026, the target annual bonuses for Mr. Orth, Dr. Mei, and Dr. Zimmermann will increase to 55%, 40%, and 40% of base salary, respectively, in each case effective as of the consummation of this offering.

Equity Incentive Compensation

Our executive compensation philosophy is designed to align compensation with long-term value creation and the interests of our stockholders. Consistent with this philosophy, we provide annual equity grants to our executive officers, with a significant portion of such grants weighted toward performance-based vesting. We believe equity grants provide our executives with a strong link to our long-term performance, create an ownership culture, and help to align the interests of our executives and our stockholders. In addition, we believe equity grants promote executive retention because they incentivize our executive officers to remain in our service during the vesting period.

During Fiscal Year 2025, we granted Dr. Mei and Dr. Zimmermann stock options to purchase our common stock under the 2023 Plan. Mr. Orth did not receive any equity awards in Fiscal Year 2025. For additional information regarding outstanding equity awards held by our named executive officers as of December 31, 2025, see the "*Outstanding Equity Awards at 2025 Fiscal Year-End*" table below.

401(k) Plan and Health and Welfare Benefits

During Fiscal Year 2025, we participated in the ADP TotalSource Retirement Savings Plan (the "ADP 401(k) Plan"), a 401(k) plan maintained by ADP TotalSource Group, Inc., our professional employer organization, in which our employees, including our named executive officers, were eligible to participate if they satisfy certain eligibility requirements. Our named executive officers participated in

the ADP 401(k) Plan on the same terms as our other full-time employees. During Fiscal Year 2025, we provided employer contributions under the ADP 401(k) Plan of 4% of each eligible employee's annual eligible compensation, subject to the safe harbor limit. Beginning in January 1, 2026, we sponsor and maintain our own 401(k) plan through Fidelity for our employees, including our named executive officers. We believe that providing a vehicle for tax-deferred retirement savings though the 401(k) plan adds to the overall desirability of our executive compensation package and further incentivizes our employees, including our named executive officers, in accordance with our compensation policies. Other than the 401(k) plan, we do not provide any qualified or non-qualified retirement or deferred compensation benefits to our employees, including our named executive officers.

All of our full-time employees, including our named executive officers, are eligible to participate in our health and welfare plans, including medical, dental, and vision benefits, short-term and long-term disability insurance, basic life and accidental death and dismemberment insurance, and certain voluntary benefits.

Employment Arrangements for Named Executive Officers

We initially entered into employment agreements or offer letters with each of our named executive officers in connection with their commencement of employment, which set forth the terms and conditions of their employment, including base salary, target annual bonus opportunity, initial equity awards, severance benefits and eligibility to participate in our employee benefit plans generally offered to our employees. The material terms of the offer letters are summarized below. In connection with this offering, we have adopted a new executive severance plan (the "Executive Severance Plan"), which will become effective upon the closing of this offering. Each of the NEOs may participate in the Executive Severance Plan, and it will supersede the severance provisions in the NEOs' offer letters, if any. A detailed description of the Executive Severance Plan is provided in the section titled "*Employee Benefit and Equity Compensation Plans*."

Current Offer Letters

Andrew (Andy) Orth, M.B.A.

On November 9, 2024, we entered into an offer letter with Mr. Orth for the position of President and Chief Executive Officer (the "Orth Offer Letter"), which provides for Mr. Orth's at-will employment. Pursuant to the Orth Offer Letter, Mr. Orth is eligible to receive an annual base salary, subject to adjustment pursuant to our employee compensation policies in effect from time to time, and an annual performance bonus, as determined by our board of directors based on objective or subjective criteria approved by our board of directors, each of which has subsequently been increased as described above. Mr. Orth is also eligible to participate in the employee benefit plans generally available to our employees, subject to the terms of those plans.

Pursuant to the Orth Offer Letter, Mr. Orth received four option grants to purchase an aggregate of 1,370,000 shares of our common stock. The first option grant covers 860,000 shares and is subject to time-based vesting, with 25% of the shares subject to the option vesting after 12 months of continuous service from Mr. Orth's start date and the remaining shares vesting in equal monthly installments over the following 36 months. The second option grant covers 368,000 shares and vests upon a specified regulatory development milestone, subject to Mr. Orth's continuous service through such approval. The third option grant covers 71,000 shares and vests upon the closing of our initial public offering, subject to certain financial conditions as set forth in the Orth Offer Letter and Mr. Orth's continuous service through such closing. The fourth option grant covers 71,000 shares and vests upon the successful completion of a clinical trial that satisfies the criteria set forth in the Orth Offer Letter, subject to Mr. Orth's continuous service through such completion. In addition, Mr. Orth will immediately vest in his remaining unvested options if (i) the Company is subject to a "change in control" before Mr. Orth's service with the Company terminates and (ii) upon or within 12 months after such change in control, Mr. Orth's employment is terminated by the Company without "cause" or due to Mr. Orth's "resignation for good reason," in each case, as defined in the Orth Offer Letter.

In addition, pursuant to the Orth Offer Letter, in the event that Mr. Orth's employment is terminated by us without "cause" or due to Mr. Orth's "resignation for good reason," subject to Mr. Orth's execution of a general release of claims in favor of us and satisfaction of certain other conditions, Mr. Orth is entitled to receive (i) continuation of his then-current base salary for a period of nine months and (ii) up to nine months of Consolidated Omnibus Budget Reconciliation Act ("COBRA") premium payments at the same rate we pay for active employees and their eligible dependents.

Baisong Mei, M.D., Ph.D.

On March 21, 2025, we entered into an offer letter with Dr. Mei for the position of Chief Medical Officer (the "Mei Offer Letter"), which provides for Dr. Mei's at-will employment. Pursuant to the Mei Offer Letter, Dr. Mei is eligible to receive an annual base salary, subject to adjustment pursuant to our employee compensation policies in effect from time to time, and an annual performance bonus, as determined by our Chief Executive Officer and approved by our board of directors based on objective or subjective criteria, each of which has subsequently been increased as described above. Dr. Mei is also eligible to participate in the employee benefit plans generally available to our employees, subject to the terms of those plans. Dr. Mei also received a sign-on bonus of $50,000, subject to repayment if his employment had terminated within one year of his start date for any reason other than a termination by us without "cause" or by Dr. Mei's "resignation for good reason," in each case as defined in the Mei Offer Letter.

Pursuant to the Mei Offer Letter, Dr. Mei received two option grants to purchase an aggregate of 328,400 shares of our common stock. The first option grant covers 229,880 shares and is subject to time-based vesting, with 25% of the shares subject to the option vesting after 12 months of continuous service from Dr. Mei's start date and the remaining shares vesting in equal monthly installments over the following 36 months. The second option grant covers 98,520 shares and vests upon achievement of certain specified clinical development milestone based on clinical proof-of-concept data, in each case as determined by our board of directors, subject to Dr. Mei's continuous service through such date. In addition, Dr. Mei will immediately vest in his remaining unvested option if (i) the Company is subject to a "change in control" before Dr. Mei's service with the Company terminates and (ii) upon or within 12 months after such change in control, Dr. Mei's employment is terminated by the Company without "cause" or due to Dr. Mei's "resignation for good reason," in each case, as defined in the Mei Offer Letter.

In addition, pursuant to the Mei Offer Letter, in the event that Dr. Mei's employment is terminated by us without "cause" or due to Dr. Mei's "resignation for good reason," subject to Dr. Mei's execution of a general release of claims in favor of us and satisfaction of certain other conditions, Dr. Mei is entitled to receive (i) continuation of his then-current base salary for a period of nine months and (ii) up to nine months of COBRA premium payments at the same rate we pay for active employees and their eligible dependents.

Tracy Zimmermann, Ph.D.

On May 8, 2024, we entered into an offer letter with Dr. Zimmermann for the position of Chief Scientific Officer (the "Zimmermann Offer Letter"), which provides for Dr. Zimmermann's at-will employment. Pursuant to the Zimmermann Offer Letter, Dr. Zimmermann is eligible to receive an annual base salary, subject to adjustment pursuant to our employee compensation policies in effect from time to time, and an annual performance bonus, as determined by our Chief Executive Officer and approved by our board of directors based on objective or subjective criteria, each of which has subsequently been increased as described above. Dr. Zimmermann is also eligible to participate in the employee benefit plans generally available to our employees, subject to the terms of those plans.

Pursuant to the Zimmermann Offer Letter, Dr. Zimmermann received three option grants to purchase an aggregate of 408,891 shares of our common stock. The first option grant covers 228,979 shares and is subject to time-based vesting, with 25% of the shares subject to the option vesting after 12 months of continuous service from Dr. Zimmermann's start date and the remaining shares vesting in equal monthly installments over the following 36 months. The second option grant covers 98,134 shares and vests upon a specified regulatory development milestone, subject to Dr. Zimmermann's continuous service through such approval. The third option grant covers 81,778 shares and vests upon achievement

of a specified clinical development milestone based on clinical proof-of-concept data. In addition, Dr. Zimmermann will immediately vest in her remaining unvested option if (i) the Company is subject to a "change in control" before Dr. Zimmermann's service with the Company terminates and (ii) upon or within 12 months after such change in control, Dr. Zimmermann's employment is terminated by the Company without "cause" or due to Dr. Zimmermann's "resignation for good reason," in each case, as defined in the Zimmermann Offer Letter.

In addition, pursuant to the Zimmermann Offer Letter, in the event that Dr. Zimmermann's employment is terminated by us without "cause" or due to Dr. Zimmermann's "resignation for good reason," subject to Dr. Zimmermann's execution of a general release of claims in favor of us and satisfaction of certain other conditions, Dr. Zimmermann is entitled to receive (i) continuation of her then-current base salary for a period of nine months and (ii) up to nine months of COBRA premium payments at the same rate we pay for active employees and their eligible dependents.

Outstanding Equity Awards at 2025 Fiscal Year-End

The following table sets forth information concerning outstanding equity awards held by each of our named executive officers as of December 31, 2025.

		Option Awards[1]				
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date
Andrew Orth, M.B.A.	12/11/2024[2]	215,000	645,000	—	1.00	12/10/2034
	12/11/2024[3]	—	—	368,000	1.00	12/10/2034
	12/11/2024[4]	—	—	71,000	1.00	12/10/2034
	12/11/2024[5]	—	—	71,000	1.00	12/10/2034
Baisong Mei, M.D., Ph.D.	05/13/2025[2]	—	229,880	—	2.01	05/12/2034
	05/13/2025[6]	—	—	98,520	2.01	05/12/2034
Tracy Zimmermann, Ph.D.	07/16/2024[2]	85,867	143,112	—	1.00	07/15/2034
	07/16/2024[7]	—	—	98,134	1.00	07/15/2034
	07/16/2024[8]	—	—	81,778	1.00	07/15/2034
	02/25/2025[9]	1,093	4,157	—	1.00	02/24/2035
	02/25/2025[10]	—	—	12,250	1.00	02/24/2035

(1) All stock option awards were granted under our 2023 Plan, described below. All options are exercisable immediately upon grant, subject to a repurchase right in favor of the Company, which lapses as the option vests. Accordingly, the columns and footnotes below reflect the extent to which the stock options held by our named executive officers were vested (as opposed to exercisable) as of December 31, 2025.

(2) The shares underlying this stock option award vest as follows: 25% of the shares vested on grant date, and the remaining 75% of the shares vest in 36 equal monthly installments thereafter, subject to the executive's continued service relationship through the applicable vesting date.

(3) The shares underlying this stock option award vest as follows: immediately upon the Company's first approval of a specified regulatory development milestone, subject to Mr. Orth's continued service relationship through the applicable vesting date.

(4) The shares underlying this stock option award vest as follows: immediately upon the Company's closing of an initial public offering, subject to certain financial conditions as set forth in the Orth Offer Letter and Mr. Orth's continuous service through such closing date.

(5) The shares underlying this stock option award vest as follows: immediately upon the Company's successful completion of specified clinical development milestones, subject to Mr. Orth's continuous service through the applicable vesting date.

(6) The shares underlying this stock option award vest as follows: immediately upon achievement of certain specified clinical development milestone based on clinical proof-of-concept data, subject to Dr. Mei's continuous service through the applicable vesting date.

(7) The shares underlying this stock option award vest as follows: immediately upon a specified regulatory development milestone, subject to Dr. Zimmermann's continuous service through the applicable vesting date.

(8) The shares underlying this stock option award vest as follows: immediately upon the achievement of a specified clinical development milestone, subject to Dr. Zimmermann's continuous service through the applicable vesting date.

(9) The shares underlying this stock option award vest in 48 equal monthly installments thereafter, subject to Dr. Zimmermann's continued service relationship through the applicable vesting date.

(10) The shares underlying this stock option award vest as follows: immediately upon achievement of a specified clinical development milestone, subject to Dr. Zimmermann's continuous service through the applicable vesting date.

Employee Benefit and Equity Compensation Plans

2023 Stock Plan

The 2023 Plan was initially adopted by our board of directors on July 17, 2023, and approved by our stockholders on August 14, 2023. The 2023 Plan was subsequently amended on April 16, 2024, December 11, 2024, February 25, 2025, January 23, 2026, May 20, 2026, and June 3, 2026 to increase the number of shares reserved for issuance thereunder. Under the 2023 Plan, as amended, we have reserved for issuance an aggregate of 9,121,166 shares of our common stock. These numbers are subject to adjustment in the event of certain changes in our capitalization, including a subdivision of our outstanding common stock, a dividend payable in shares of common stock, a combination or consolidation of our outstanding common stock into a lesser number of shares, a reclassification, or other increase or decrease in the number of issued shares of our common stock effected without receipt of consideration by us. Our board of directors has determined not to issue any further awards under the 2023 Plan following the completion of this offering, but all outstanding awards under the 2023 Plan will continue to be governed by their existing terms. In connection with this offering, we intend to adopt a new equity incentive plan under which we will grant equity-based awards following this offering, as described below under "*2026 Stock Option and Incentive Plan*." The following summary describes the material terms of the 2023 Plan. This summary is not a complete description of all provisions of the 2023 Plan and is qualified in its entirety by reference to the 2023 Plan, which will be filed as an exhibit to the registration statement of which this prospectus is a part.

The shares of common stock previously issued under the 2023 Plan that are forfeited to or repurchased by us due to failure to vest are currently added back to the shares of common stock available for issuance under the 2023 Plan. In addition, shares that otherwise would have been issuable under the 2023 Plan but are withheld by us in payment of the purchase price or exercise price of an award or in satisfaction of withholding taxes remain available for issuance under the 2023 Plan. Shares subject to any outstanding option, restricted stock unit or other right that expires or is cancelled for any reason, to the extent allocable to the unexercised or unsettled portion of such award, remain available for issuance under the 2023 Plan. To the extent an award is settled in cash, the cash settlement does not reduce the number of shares remaining available for issuance under the 2023 Plan. Following the completion of this offering, any such shares that would otherwise become available for issuance under the 2023 Plan will instead be added to the shares of common stock available for issuance under the 2026 Plan (as defined below).

Our board of directors has acted as administrator of the 2023 Plan. The administrator has full authority and discretion to take any actions it deems necessary or advisable for the administration of the 2023 Plan. Persons eligible to participate in the 2023 Plan are our employees, outside directors and consultants.

The 2023 Plan permits the granting of (i) options to purchase common stock intended to qualify as incentive stock options under Section 422 of the Code and (ii) options that do not so qualify. The option exercise price of each option is determined by the administrator but may not be less than 100% of the fair market value of our common stock on the date of grant or, in the case of an incentive stock option granted to a 10% owner, the exercise price shall not be less than 110% of the fair market value of our common stock on the date of grant. The term of each option is fixed by the administrator and may not

exceed ten years from the date of grant, or five years in the case of certain incentive stock options grants. The administrator determines when each option becomes vested and exercisable.

The administrator of the 2023 Plan may award or sell shares of common stock subject to such terms and conditions as it determines, including forfeiture conditions, repurchase rights, rights of first refusal and other transfer restrictions.

The administrator of the 2023 Plan may also grant restricted stock units subject to such vesting conditions and other terms and conditions as it determines. Restricted stock units may be settled in shares of common stock, cash or a combination of both, as determined by the administrator.

In the event of certain changes in our capitalization, including a subdivision of our outstanding common stock, a dividend payable in shares of common stock, a combination or consolidation of our outstanding common stock into a lesser number of shares, a reclassification or any other increase or decrease in the number of issued shares of common stock effected without receipt of consideration by us, proportionate adjustments will be made, as applicable, to the number and kind of shares available for issuance under the 2023 Plan, the number and kind of shares subject to outstanding awards and outstanding rights to purchase shares, the exercise price or purchase price applicable to such awards or rights and any applicable repurchase price. In addition, in the event of an extraordinary dividend payable in a form other than shares, a recapitalization, a spin-off or similar occurrence, the administrator may make appropriate adjustments to such items.

The 2023 Plan provides that, in the event that the Company is a party to a merger or consolidation, or in the event of a sale of all or substantially all of our stock or assets, shares acquired under the 2023 Plan and outstanding awards under the 2023 Plan will be treated in the manner described in the definitive transaction agreement or, if there is no such agreement to which the Company is a party, as determined by our board of directors. Such treatment need not be the same for all awards or all portions of an award and may include, among other things: (i) continuing or assuming the award or substituting a comparable award, (ii) cancelling the award and making a payment with respect to the vested portion of such award, (iii) cancelling an option without payment following notice and an opportunity to exercise the option to the extent vested or becoming vested in connection with the transaction, (iv) suspending option exercise rights for a limited period prior to the closing of the transaction and/or (v) terminating any early exercise rights. Our board of directors also has discretion to accelerate, in whole or in part, the vesting and exercisability of an award in connection with such corporate transaction.

Our board of directors may amend, suspend or terminate the 2023 Plan at any time, subject to stockholder approval where required by applicable law. Within the limitations of the 2023 Plan, our board of directors may modify, reprice, extend or assume outstanding options or may accept the cancellation of outstanding options in return for the grant of new options or a different type of award for the same or a different number of shares and at the same or a different exercise price, if applicable. No modification of an option may, without the consent of the optionee, impair the optionee's rights or increase the optionee's obligations under such option; provided, however, that a modification of an option that is otherwise favorable to the optionee will not require the consent of the optionee. The Company may also cancel certain options that were not granted in compliance with Rule 701 under the Securities Act upon not less than 30 days' prior written notice to the optionee. If the Company elects to cancel such option, it will deliver to the optionee consideration with an aggregate value equal to the excess of the fair market value of the shares subject to such option as of the time of the cancellation over the exercise price of such option. If the consideration would be a negative amount, such option may be cancelled without the delivery of any consideration.

No awards may be granted under our 2023 Plan after the date that is ten years from the later of (i) the date our 2023 Plan was adopted by our board of directors or (ii) the date our board of directors approved the most recent increase in the number of shares reserved under our 2023 Plan that was also approved by our stockholders. As described above, our board of directors has determined not to issue any further awards under our 2023 Plan following the completion of this offering.

2026 Stock Option and Incentive Plan

The 2026 Stock Option and Incentive Plan (the "2026 Plan") was adopted by our board of directors on September 19, 2026, was approved by our stockholders on , 2026, and will become

effective on the date immediately preceding the date on which the registration statement of which this prospectus is a part is declared effective by the SEC. The 2026 Plan will allow us to make equity-based and cash-based incentive awards to our officers, employees, directors, and consultants. The following summary describes the material terms of the 2026 Plan. This summary is not a complete description of all provisions of the 2026 Plan and is qualified in its entirety by reference to the 2026 Plan, which will be filed as an exhibit to the registration statement of which this prospectus is a part.

Authorized Shares. We have initially reserved shares of our common stock for the issuance of awards under the 2026 Plan (the "Initial Limit"), plus the number of shares reserved and remaining available for issuance under the 2023 Plan as of the effective date of the 2026 Plan. The number of shares reserved and available for issuance under the 2026 Plan will automatically increase on January 1, 2027 and each January thereafter during the term of the 2026 Plan, by 5% of the outstanding number of shares of our common stock on the immediately preceding December 31 (including, for this purpose, shares underlying any outstanding prefunded warrants) or such lesser number of shares as determined by our culture and compensation committee (the "Annual Increase"). The number of shares reserved for issuance under the 2026 Plan will be subject to adjustment in the event of a stock split, stock dividend, or other change in our capitalization. The shares we issue under the 2026 Plan will be authorized but unissued shares or shares that we reacquire.

The shares of common stock underlying any awards under the 2026 Plan or the 2023 Plan that are forfeited, cancelled, held back upon exercise or settlement of an award to satisfy the exercise price or tax withholding, reacquired by us prior to vesting, satisfied without the issuance of stock, or are otherwise terminated (other than by exercise) will be added back to the shares of common stock available for issuance under the 2026 Plan. The maximum number of shares of common stock that may be issued pursuant to incentive stock options shall not exceed the Initial Limit, cumulatively increased on January 1, 2027 and on each January 1 thereafter by the lesser of the Annual Increase for such year or shares of common stock.

Non-Employee Director Compensation Limit. The grant date fair value of all awards under the 2026 Plan and all other cash compensation paid by us to any non-employee director during any one calendar year for services as a non-employee director may not exceed $750,000; provided, however, that such amount shall be $1,000,000 for the calendar year in which the applicable non-employee director is initially elected or appointed to our board of directors.

Plan Administration. The 2026 Plan will be administered by our culture and compensation committee. Our culture and compensation committee will have full power to select, from among the individuals eligible for awards, the individuals to whom awards will be granted and the number of shares subject to such awards, to make any combination of awards to participants, to accelerate at any time the exercisability or vesting of any award, and to determine the specific terms and conditions of each award, subject to the provisions of the 2026 Plan. The culture and compensation committee is specifically authorized to exercise its discretion to reduce the exercise price of outstanding stock options and stock appreciation rights or effect the repricing of such awards through cancellation and re-grants without stockholder consent.

Eligibility. Persons eligible to participate in the 2026 Plan will be those employees, non-employee directors, and consultants selected from time to time by our culture and compensation committee in its discretion.

Stock Options. The 2026 Plan permits the granting of both options to purchase common stock intended to qualify as incentive stock options under Section 422 of the Code and options that do not so qualify. The option exercise price of each option will be determined by our culture and compensation committee but may not be less than 100% of the fair market value of our common stock on the date of grant unless the option (i) is granted pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code, (ii) is granted to an individual who is not subject to United States income tax, or (iii) complies with or is exempt from Section 409A of the Code. The term of each option will be fixed by our culture and compensation committee and may not exceed ten years from the date of grant (or five years in the case of certain incentive stock options). Our culture and compensation committee will determine at what time or times each option may be exercised.

Stock Appreciation Rights. Our culture and compensation committee may award stock appreciation rights under the 2026 Plan subject to such conditions and restrictions as it determines. Stock appreciation rights entitle the recipient to shares of common stock, or cash, equal to the value of the appreciation in our stock price over the exercise price. The exercise price of each stock appreciation right may not be less than 100% of the fair market value of our common stock on the date of grant unless the stock appreciation right (i) is granted pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code, (ii) is granted to an individual who is not subject to United States income tax, or (iii) complies with or is exempt from Section 409A of the Code. The term of each stock appreciation right will be fixed by our culture and compensation committee and may not exceed ten years from the date of grant. Our culture and compensation committee will determine at what time or times each stock appreciation right may be exercised.

Restricted Stock and Restricted Stock Units. Our culture and compensation committee may award restricted shares of common stock and restricted stock units to participants subject to such conditions and restrictions as it determines. These conditions and restrictions may include the achievement of certain performance goals and/or continued employment or other service relationship with us through a specified vesting period.

Unrestricted Stock Awards. Our culture and compensation committee may grant shares of common stock that are free from any restrictions under the 2026 Plan. Unrestricted stock may be granted to participants in recognition of past services or for other valid consideration and may be issued in lieu of cash compensation due to such participant.

Dividend Equivalent Rights. Our culture and compensation committee may grant dividend equivalent rights to participants that entitle the recipient to receive credits for dividends that would be paid if the recipient had held a specified number of shares of common stock.

Cash-Based Awards. Our culture and compensation committee may grant cash bonuses under the 2026 Plan to participants, subject to the achievement of certain performance goals.

Sale Event. The 2026 Plan provides that, in the case of and subject to the consummation of a "sale event" (as defined in the 2026 Plan), our culture and compensation committee may, on such terms and conditions as it deems appropriate and without a participant's consent, take one or more of the following actions: (i) provide for the assumption or continuation of outstanding awards by the successor entity or the substitution of such awards with new awards of the successor entity or its parent, with appropriate adjustments; (ii) provide that an award will vest and become exercisable, realizable or payable, or that restrictions applicable to an award will lapse, in whole or in part, prior to or upon consummation of the sale event and, to the extent determined by our culture and compensation committee, terminate upon or immediately prior to the effectiveness of the sale event; (iii) permit individuals holding options and stock appreciation rights to exercise such options and stock appreciation rights, to the extent then vested and exercisable, within a specified period prior to the consummation of the sale event, following which any unexercised awards will terminate; (iv) make or provide for a payment, in cash or in kind, to participants holding vested and exercisable options and stock appreciation rights, in exchange for the cancellation thereof, in an amount equal to the difference between the per share consideration payable to stockholders in the sale event and the applicable exercise price; provided that any options or stock appreciation rights with exercise prices equal to or greater than such per share consideration will be cancelled for no consideration; (v) make or provide for a payment, in cash or in kind, to participants holding other awards, in exchange for the cancellation thereof, in an amount equal to the per share consideration payable to stockholders in the sale event multiplied by the number of vested shares subject to such awards; (vi) terminate any award, or portion thereof, that is unvested immediately prior to the effective time of the sale event, with such payment to the participant, including no payment, as the our culture and compensation committee determines in its discretion; or (vii) take any combination of the foregoing actions. In taking any such actions, the plan administrator will not be required to treat all awards, all awards held by a participant or all awards of the same type in the same manner.

Amendment. Our board of directors may amend or discontinue the 2026 Plan and our culture and compensation committee may amend or cancel outstanding awards for purposes of satisfying

changes in law or any other lawful purpose, but no such action may materially and adversely affect rights under an award without the holder's consent. Certain amendments to the 2026 Plan require the approval of our stockholders. The culture and compensation committee is specifically authorized to exercise its discretion to reduce the exercise price of outstanding stock options and stock appreciation rights or effect the repricing of such awards through cancellation and re-grants without stockholder consent.

No awards may be granted under the 2026 Plan after the date that is ten years from the effective date of the 2026 Plan. No awards have been made under the 2026 Plan prior to the date hereof.

2026 Employee Stock Purchase Plan

The 2026 Employee Stock Purchase Plan (the "ESPP") was adopted by our board of directors on September 19, 2026, was approved by our stockholders on , 2026, and will become effective on the date immediately preceding the date on which the registration statement of which this prospectus is part is declared effective by the SEC. The ESPP has two components: a component intended to qualify as an "employee stock purchase plan" within the meaning of Section 423 of the Code (the "423 Component"), and a component that is not intended to so qualify (the "Non-423 Component"). Except as otherwise provided, the Non-423 Component will be operated and administered in the same manner as the 423 Component, except where prohibited by law. The following summary describes the material terms of the ESPP. This summary is not a complete description of all provisions of the ESPP and is qualified in its entirety by reference to the ESPP, which will be filed as an exhibit to the registration statement of which this prospectus is a part.

Authorized Shares. The ESPP initially reserves and authorizes the issuance of up to a total of shares of our common stock to participating employees. The ESPP provides that the number of shares reserved and available for issuance will automatically increase on January 1, 2027 and each January 1 thereafter through January 1, 2036, by the least of (i) 1% of the outstanding number of shares of our common stock on the immediately preceding December 31 (including, for this purpose, shares underlying any outstanding prefunded warrants), (ii) shares of common stock, or (iii) such number of shares of common stock as determined by the administrator of the ESPP. The number of shares reserved under the ESPP is subject to adjustment in the event of a stock split, stock dividend, or other change in our capitalization.

Eligibility. All individuals classified as employees on the payroll records of the Company or a "designated company" (as defined in the ESPP) are generally eligible to participate in the ESPP, provided that the ESPP administrator may determine in advance of an offering that employees are eligible only if, as of the first day of the offering, they (a) have been employed by us or a designated company for such continuous period as the ESPP administrator may require, provided such service requirement is less than two years, and (b) are customarily employed by us or a designated company for more than 20 hours per week and more than five months per calendar year, or satisfy such other criteria as the ESPP administrator may determine consistent with Section 423 of the Code. However, an employee may not be granted an option under the ESPP if, immediately after the grant, the employee would be treated as owning stock possessing 5% or more of the total combined voting power or value of all classes of stock of the Company or any parent or subsidiary of the Company.

Offerings. We may make one or more offerings each year to our employees to purchase shares of our common stock under the ESPP, each of which may consist of one or more purchase periods. Offerings will begin and end on the dates determined by the ESPP administrator, except that no offering will exceed 27 months in duration. Each eligible employee may elect to participate in any offering by submitting an enrollment form by the deadline established by the ESPP administrator.

Each employee who is a participant in the ESPP may purchase shares by authorizing payroll deductions at a minimum of % and up to a maximum of 15% of such participant's eligible compensation during an offering period (or such other minimum and maximum as determined by the administrator in advance of an offering). Unless the participating employee has previously withdrawn from the offering, such participant's accumulated payroll deductions or contributions will be used to purchase shares of our common stock on the last day of each purchase period at a price equal to 85% of the

fair market value of the shares on the first day or the last day of the purchase period, whichever is lower, provided that no more than the number of shares of common stock determined by dividing $25,000 by the fair market value of our common stock on the first day of such offering period (or such other maximum number of shares as may be established by the administrator) may be purchased by any one employee during any purchase period. Under applicable tax rules, an employee may purchase no more than $25,000 worth of shares of our common stock, valued at the start of the offering period, under the ESPP for each calendar year during which any option granted to the employee is outstanding at any time.

The accumulated payroll deductions of any employee who is not a participant on the last day of an offering period will be refunded. An employee's rights under the ESPP terminate upon voluntary withdrawal from the plan or when the employee ceases employment with us for any reason.

Sale Event. In the case of and subject to the consummation of a "sale event" (as defined in the ESPP), the administrator of the ESPP, in its discretion, and on such terms and conditions as it deems appropriate, is authorized to take any one or more of the following actions under the ESPP or with respect to any right under the ESPP to facilitate such transactions or events: (i) provide for either (A) termination of any outstanding option in exchange for an amount of cash, if any, equal to the amount that would have been obtained upon the exercise of such option had such option been currently exercisable or (B) the replacement of such outstanding option with other options or property selected by the administrator of the ESPP in its sole discretion; (ii) provide that the outstanding options under the ESPP shall be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for similar options covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices; (iii) make adjustments in the number and type of shares of common stock (or other securities or property) subject to outstanding options under the ESPP and/or in the terms and conditions of outstanding options and options that may be granted in the future; (iv) provide that the offering with respect to which an option relates will be shortened by setting a new exercise date on which such offering period will end; and (v) provide that all outstanding options shall terminate without being exercised and all amounts in the accounts of participants shall be promptly refunded.

Amendment. The ESPP may be terminated or amended by our board of directors at any time. An amendment that increases the number of shares of our common stock authorized under the ESPP and certain other amendments require the approval of our stockholders.

Senior Executive Cash Incentive Bonus Plan

On September 19, 2026, our board of directors adopted the Senior Executive Cash Incentive Bonus Plan (the "Bonus Plan"), which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part. The Bonus Plan provides for cash bonus payments based upon company and individual performance targets established by our culture and compensation committee. The payment targets will be related to financial and operational measures or objectives with respect to our company, or the corporate performance goals, as well as individual performance objectives. The following summary describes the material terms of the Bonus Plan. This summary is not a complete description of all provisions of the Bonus Plan and is qualified in its entirety by reference to the Bonus Plan, which will be filed as an exhibit to the registration statement of which this prospectus is a part.

Our culture and compensation committee may select corporate performance goals from among the following: research and development, publication, clinical and/or regulatory milestones; cash flow (including, but not limited to, operating cash flow and free cash flow); revenue; earnings before interest, taxes, depreciation and amortization; net income (loss) (either before or after interest, taxes, depreciation and/or amortization); changes in the market price of our common stock; economic value-added; acquisitions, licenses, collaborations or strategic transactions, including government or other third-party grants, asset sales, royalty financings, partnership, collaboration and licensing arrangements, or a combination of these approaches; financing or other capital raising transactions; operating income (loss); return on capital, assets, equity, or investment; stockholder returns; return on sales; gross or net profit levels; productivity; expense efficiency; margins; operating efficiency; working

capital; earnings (loss) per share of our common stock; sales or market shares; number of prescriptions or prescribing physicians; coverage decisions; leadership development, employee retention and recruiting, and other human resources matters; operating income and/or net annual recurring revenue, or any other performance goal selected by the culture and compensation committee, any of which may be (A) measured in absolute terms, as compared to any incremental increase, (B) measured in terms of growth, (C) compared to another company or companies or to results of a peer group, (D) measured against the market as a whole and/or as compared to applicable market indices and/or (E) measured on a pre-tax or post-tax basis, as applicable. Corporate performance goals may be used to measure the performance of our company as a whole, a business unit or other segment, or one or more product lines or specific markets.

Each executive officer who is selected to participate in the Bonus Plan will have a target bonus opportunity set for each performance period. The bonus formulas will be adopted in each performance period by the culture and compensation committee and communicated to each executive at the beginning of the performance period. The corporate performance goals will be measured at the end of the fiscal year after our financial reports have been published. Subject to the rights contained in any agreement between the executive officer and us, an executive officer shall be required to be employed by us on the bonus payment date to be eligible to receive a bonus payment under the Bonus Plan. If an executive officer was not employed for the entire performance period, the culture and compensation committee may prorate the bonus based on the number of days employed during the period. Bonus payments will be made as soon as practicable, but not later than two and one-half months after the end of the fiscal year in which the applicable performance period ends. The Bonus Plan also permits the culture and compensation committee to approve additional bonuses to executive officers in its sole discretion.

Executive Severance Plan

On September 19, 2026, our board of directors adopted the City Therapeutics, Inc. Executive Severance Plan (the "Severance Plan"), which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part. Our Chief Executive Officer will participate in the Severance Plan as a Tier 1 executive; our Chief Financial Officer, Chief Medical Officer, Chief Scientific Officer, Chief Operating Officer, Chief Legal Officer and Chief Human Resources Officer will participate as Tier 2 executives; and our employees at the senior vice president level will participate as Tier 3 executives, in each case subject to the execution of a participation agreement. The benefits provided under the Severance Plan will replace any other severance or change-in-control payments and benefits for which a participating executive may otherwise be eligible under an existing offer letter, employment agreement or other arrangement.

Under the Severance Plan, if a participating executive's employment is terminated by us other than for cause, death or disability, or the executive resigns for good reason, in either case outside the period beginning three months before and ending 12 months after a change in control, the executive will be eligible to receive (i) an amount equal to 12 months of base salary for a Tier 1 or Tier 2 executive and nine months of base salary for a Tier 3 executive, payable in substantially equal installments, and (ii) subject to the executive's timely election of continued health coverage under COBRA, payment of the employer portion of the executive's COBRA premiums for up to 12 months for a Tier 1 or Tier 2 executive and nine months for a Tier 3 executive.

If such a termination occurs during the period beginning three months before and ending 12 months after a change in control, the executive will instead be eligible to receive (i) a lump-sum payment equal to 150% of base salary and target annual bonus for a Tier 1 executive, 100% of base salary and target annual bonus for a Tier 2 executive and 75% of base salary and target annual bonus for a Tier 3 executive; (ii) subject to the executive's timely election of continued health coverage under COBRA, payment of the executive's COBRA premiums for up to 18 months for a Tier 1 executive, 12 months for a Tier 2 executive and nine months for a Tier 3 executive; and (iii) full accelerated vesting of all outstanding equity awards subject solely to time-based vesting.

The foregoing severance payments and benefits are subject to the participating executive's timely execution and non-revocation of a separation agreement and release of claims in our favor. If any payments or benefits payable to a participating executive would be subject to the excise tax imposed by Section 4999 of the Code, such payments and benefits will be reduced to the extent necessary to avoid the excise tax if such reduction would result in the executive receiving a greater after-tax benefit.

DIRECTOR COMPENSATION

2025 Director Compensation Table

The following table presents the compensation awarded to, earned by, or paid to each person who served as a non-employee member of our board of directors for their services to us during Fiscal Year 2025. Other than as set forth in the table and described more fully below, we did not pay any compensation, make any equity awards or non-equity awards to, or pay any other compensation to any of the members of our board of directors in Fiscal Year 2025 for their services as members of the board of directors. During Fiscal Year 2025, Mr. Orth served as a member of our board of directors but received no additional compensation for his service as a member of our board of directors. The compensation for Fiscal Year 2025 received by Mr. Orth as our President and Chief Executive Officer is presented in the section titled "*Executive Compensation — 2025 Summary Compensation Table*" above.

Name	Fees Earned or Paid in Cash ($)[1]	Option Awards ($)[2][3]	Total ($)
John Maraganore, Ph.D.	200,000	2,325,602	2,525,602
Barry Greene	50,000	205,026	255,026
Robert Nelsen, M.B.A.	—	—	—
Saraswathy (Sara) V. Nochur, Ph.D.[4]	49,059	205,935	254,994
Ron Philip	50,000	205,982	255,982

(1) The amounts reported represent the cash fees each director received for their services to our board of directors during Fiscal Year 2025.

(2) The amounts reported represent the aggregate grant date fair value of stock option awards granted to our directors in Fiscal Year 2025, computed in accordance with FASB ASC Topic 718. Such grant date fair values do not take into account any estimated forfeitures related to service-based vesting. The assumptions used in calculating the grant date fair values of the option awards reported in this column are set forth in Note 12 of our consolidated financial statements for Fiscal Year 2025, included elsewhere in this prospectus. The amounts reported in this column reflect the accounting cost for these option awards and do not correspond to the actual economic value that may be received by our directors upon the exercise of the option awards or any sale of the underlying securities.

(3) As of December 31, 2025, each non-employee director held options to purchase the aggregate number of shares of our common stock as set forth below. As of December 31, 2025, none of the non-employee directors held any unvested stock awards, except that Dr. Maraganore held 742,540 shares of restricted common stock.

(4) Dr. Nochur was appointed as a director on February 25, 2025. The fees earned by or paid to Dr. Nochur for Fiscal Year 2025 were prorated based on her date of appointment.

Name	Shares Underlying Outstanding Option Awards at Fiscal Year-End
John Maraganore, Ph.D.	—
Barry Greene	54,519
Robert Nelsen, M.B.A.	—
Saraswathy (Sara) V. Nochur, Ph.D.	54,519
Ron Philip	54,519

Consulting Agreement with Dr. Maraganore

On August 14, 2023, we entered into a consulting agreement with Dr. Maraganore, pursuant to which Dr. Maraganore provides certain consulting and advisory services to us. For additional information regarding Dr. Maraganore's consulting agreement, see "*Certain Relationships and Related Person Transactions — Maraganore Consulting Agreement*."

Executive Chair Agreement with Dr. Maraganore

On November 10, 2023, we entered into an executive chair agreement with Dr. Maraganore, pursuant to which Dr. Maraganore agreed to provide services as Executive Chair and a member of our board of directors. For additional information regarding Dr. Maraganore's executive chair agreement, see "*Certain Relationships and Related Person Transactions — Maraganore Executive Chair Agreement.*"

Non-Employee Director Compensation Policy

In connection with this offering, our board of directors has adopted a non-employee director compensation policy, which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part. The policy will be designed to enable us to attract and retain, on a long-term basis, high-caliber non-employee directors who are not employees or officers of us or our subsidiaries. Unless otherwise determined by our board of directors, non-employee directors who are employees of, or otherwise affiliated with, an institutional investor in us will not be eligible to receive compensation under the policy. Under the policy, each director who is not an employee will be paid cash compensation from and after the completion of this offering, as set forth below:

Board of Directors:	Annual Retainer ($)
Members	$40,000
Additional retainer for non-executive chair	$30,000
Audit Committee:	
Members (other than chair)	$10,000
Retainer for chair	$20,000
Culture and Compensation Committee:	
Members (other than chair)	$ 7,500
Retainer for chair	$15,000
Nominating and Corporate Governance Committee:	
Members (other than chair)	$ 5,000
Retainer for chair	$10,000

In addition, the non-employee director compensation policy provides that, upon the effective date of the policy, each non-employee director will receive an option award to purchase 20,000 shares of our common stock (the "IPO Award"). The IPO Award will vest in full on the earlier of the first anniversary of the grant date or the next annual meeting of stockholders, subject to continued service through the applicable vesting date. Upon initial election or appointment to our board of directors, each non-employee director will be granted an initial option award to purchase 40,000 shares of our common stock (the "Initial Award"). The Initial Award will vest in equal monthly installments over three years from the grant date, subject to continued service through the applicable vesting date. Furthermore, on the date of each annual meeting of stockholders following the completion of this offering, each non-employee director who continues as a non-employee director following such meeting (other than a director receiving an Initial Award) will be granted an annual option award to purchase 20,000 shares of our common stock (the "Annual Award"). The Annual Award will vest on the earlier of the first anniversary of the grant date or the next annual meeting of stockholders, subject to continued service through the applicable vesting date. All outstanding Initial Awards and Annual Awards will become fully vested and exercisable upon a "sale event" (as defined in our 2026 Plan).

The aggregate amount of compensation, including both equity compensation and cash compensation, paid to any non-employee director for service as a non-employee director in a calendar year period will not exceed $750,000 (or $1,000,000 for the calendar year in which the applicable non-employee director is initially elected or appointed to our board of directors).

We will reimburse all reasonable out-of-pocket expenses incurred by non-employee directors in attending meetings of the board of directors and committees thereof. Employee directors will receive no additional compensation for their service as a director.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

In addition to the compensation arrangements, including employment, termination of employment and change in control arrangements, and indemnification arrangements discussed, when required, in the sections titled "*Management*," "*Director Compensation*" and "*Executive Compensation*" and the registration rights described in the section titled "*Description of Capital Stock — Registration Rights*," the following is a description of all transactions since January 1, 2024 and each currently proposed transaction in which:

- we have been or are to be a participant;
- the amounts involved exceeded or will exceed the lesser of $120,000 or 1% of the average of our total assets at the year-end for the last two completed fiscal years; and
- any of our directors, executive officers or holders of more than 5% or more of our outstanding capital stock, or any immediate family member of, or person sharing the household with, any of these individuals or entities or affiliated entities, had or will have a direct or indirect material interest.

Convertible Notes

On January 5, 2024 and February 15, 2024, we issued two convertible notes with an aggregate principal amount of $0.5 million to John Maraganore, Ph.D., our co-founder, Executive Chair and a holder of more than 5% of our outstanding capital stock, in consideration for consulting services. The notes matured on the earlier of June 30, 2024 or the consummation of a deemed liquidation event. In connection with the closing of our Series A convertible preferred stock financing on April 17, 2024, the convertible notes converted into 56,095 shares of our Series A convertible preferred stock at a conversion price of $9.02655 per share, reflecting a 10% discount to the $10.0295 per share purchase price paid by the new investors in the Series A financing.

On January 5, 2024 and February 15, 2024, we issued two convertible notes with an aggregate principal amount of $4.5 million to ARCH Venture Fund XII, L.P., a holder of more than 5% of our outstanding capital stock. In connection with the closing of our Series A convertible preferred stock financing on April 17, 2024, the convertible notes converted into 504,869 shares of our Series A convertible preferred stock at a conversion price of $9.02655 per share, reflecting a 10% discount to the $10.0295 per share purchase price paid by the new investors in the Series A financing.

Series A Convertible Preferred Stock Financing

Between April 17, 2024 and December 30, 2024, we issued and sold an aggregate of 13,435,354 shares of our Series A convertible preferred stock at a purchase price of $10.0295 per share, for an aggregate purchase price of approximately $134.7 million, and issued an aggregate of 560,964 shares of Series A convertible preferred stock upon conversion of outstanding convertible notes.

The outstanding shares of Series A convertible preferred stock will convert into shares of our common stock at a rate of one share of common stock immediately prior to the completion of this offering. The following table summarizes the shares of our Series A convertible preferred stock issued to our related parties:

Purchasers	Shares of Series A Convertible Preferred Stock	Total Purchase Price	Total Convertible Note Amount
ARCH Venture Fund XII, L.P.[1]	4,991,633	$44,999,999.54	$4,557,233.61
Invus Public Equities, L.P.[2]	2,492,646	$24,999,993.06	$ —
Entities affiliated with Fidelity[3]	2,492,646	$24,999,993.07	$ —
John Maraganore, Ph.D.[4]	56,095	$ —	$ 506,359.29

(1) Robert Nelsen, M.B.A. serves as a member of our board of directors and is an affiliate of ARCH Venture Partners, of which Venture Fund XII, L.P. is an affiliated fund. Venture Fund XII, L.P. beneficially owns more than 5% of our outstanding capital stock.

(2) Invus Public Equities, L.P. beneficially owns more than 5% of our outstanding capital stock.

(3) Fidelity collectively refers to Fidelity Growth Company Commingled Pool; Fidelity Mt. Vernon Street Trust: Fidelity Growth Company Fund; Fidelity Mt. Vernon Street Trust: Fidelity Growth Company K6 Fund; and Fidelity Mt. Vernon Street Trust: Fidelity Series Growth Company Fund. Fidelity beneficially owns more than 5% of our outstanding capital stock.

(4) John Maraganore, Ph.D., is our co-founder and Executive Chair, and holds more than 5% of our outstanding capital stock.

Series B Convertible Preferred Stock Financing

On May 20, 2026 and June 4, 2026, we issued and sold an aggregate of 6,801,318 shares of our Series B convertible preferred stock, par value $0.0001 per share, at a purchase price of $14.6295 per share, for an aggregate purchase price of approximately $99.5 million.

The outstanding shares of Series B convertible preferred stock will convert into shares of our common stock at a rate of one share of common stock immediately prior to the completion of this offering. The following table summarizes the shares of our Series B convertible preferred stock issued to our related parties:

Purchasers	Shares of Series B Convertible Preferred Stock	Total Purchase Price
ARCH Venture Fund XII, L.P.[1]	1,845,585	$26,999,985.76
Invus Public Equities, L.P.[2]	446,320	$ 6,529,438.44
Funds and/or accounts advised by affiliates of FMR LLC[3]	1,025,325	$14,999,992.09
Entities affiliated with Viking[4]	1,845,585	$26,999,985.70

(1) Robert Nelsen, M.B.A. serves as a member of our board of directors and is an affiliate of ARCH Venture Partners, of which Venture Fund XII, L.P. is an affiliated fund. Venture Fund XII, L.P. beneficially owns more than 5% of our outstanding capital stock.

(2) Invus Public Equities, L.P. beneficially owns more than 5% of our outstanding capital stock.

(3) Reflects shares held by Fidelity Advisor Series VII: Fidelity Advisor Biotechnology Fund; Fidelity Growth Company Commingled Pool; Fidelity Mt. Vernon Street Trust: Fidelity Growth Company Fund; Fidelity Mt. Vernon Street Trust: Fidelity Growth Company K6 Fund; Fidelity Mt. Vernon Street Trust: Fidelity Series Growth Company Fund; Fidelity Select Portfolios: Biotechnology Portfolio and Fidelity Growth Company Commingled Pool (collectively, "FMR LLC Entities"). FMR LLC, as adviser to the FMR LLC Entities, beneficially owns or is deemed to beneficially own more than 5% of our outstanding capital stock.

(4) Viking collectively refers to Viking Global Opportunities Illiquid Investment Sub-Master LP and Viking Global Opportunities Vintage IV (Aggregator) LP. Viking beneficially owns more than 5% of our outstanding capital stock.

Maraganore Consulting Agreement

On August 14, 2023, we entered into a consulting agreement (the "Maraganore Consulting Agreement") with Dr. Maraganore, pursuant to which we granted Dr. Maraganore 750,000 shares of our common stock at the fair market value per share on the grant date, subject to certain vesting conditions. Under the Maraganore Consulting Agreement, Dr. Maraganore provides certain strategic advisory services to the Company. The Maraganore Consulting Agreement remains in effect unless earlier terminated or extended by the parties. In connection with the completion of this offering, we intend to terminate the Maraganore Consulting Agreement. Dr. Maraganore will continue to serve as the Executive Chair of our board of directors. Following the termination of the Maraganore Consulting Agreement, Dr. Maraganore will be eligible to receive compensation for his role as Executive Chair of our board of directors pursuant to our non-employee director compensation policy, which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part. See "*Executive Compensation — Consulting Agreement with Dr. Maraganore*."

Maraganore Executive Chair Agreement

On November 10, 2023, we entered into an executive chair agreement (as amended, the "Maraganore Executive Chair Agreement") with Dr. Maraganore, pursuant to which Dr. Maraganore agreed to provide services as Executive Chair and a member of our board of directors, and we agreed to pay Dr. Maraganore an annual cash retainer of $200,000, in addition to the grant of options to purchase

an aggregate of 429,079 shares of our common stock, with 25% of the shares subject to each option vesting after 12 months of continuous service from the applicable vesting commencement date and the remaining shares vesting in equal monthly installments over the following 36 months of continuous service. In the event of an Involuntary Termination, as defined in the Maraganore Executive Chair Agreement, all remaining unvested shares subject to the options will immediately vest.

In addition, the Maraganore Executive Chair Agreement provides that Dr. Maraganore is eligible to be considered for additional equity grants at the discretion of our board of directors. In May and June 2024, Dr. Maraganore received performance-based options to purchase an aggregate of 183,890 shares of our common stock, which subsequently vested upon the achievement of a specified regulatory development milestone. Additionally, in February and June 2026, Dr. Maraganore received options to purchase an aggregate of 310,074 shares of our common stock, consisting of 123,474 shares that vest monthly over 48 months of continuous service and two tranches of 93,300 shares of our common stock that vest upon the achievement of specified clinical and regulatory development milestones, respectively, provided that each applicable milestone is achieved within 10 years following the applicable date of grant.

The Maraganore Executive Chair Agreement will continue until Dr. Maraganore ceases to be a member of our board of directors, which may occur at any time at the election of Dr. Maraganore or the Company. In the event that the Company successfully consummates this offering on or prior to December 31, 2026, the annual cash retainer for Dr. Maraganore will increase to $240,000, effective as of the consummation of this offering. During each of the years ended December 31, 2024 and 2025, we paid Dr. Maraganore approximately $0.2 million for services provided under the Maraganore Executive Chair Agreement.

Management Rights and Side Letters

In connection with our convertible preferred stock financings, we entered into management rights and side letters with certain purchasers of our convertible preferred stock, including holders of more than 5% of our capital stock and entities with which certain of our directors are affiliated, pursuant to which such entities were granted certain management rights, among other things, including the right to consult with and advise our management on significant business issues, review our operating plans, examine our books, and records and inspect our facilities. Except for certain confidentiality obligations, publicity restrictions, and market standoff provisions, the rights under these management rights and side letters will terminate immediately prior to the completion of this offering.

Agreements with our Stockholders

In connection with our convertible preferred stock financings, we entered into an investors' rights agreement, a right of first refusal and co-sale agreement, and voting agreement, in each case, with the purchasers of our convertible preferred stock. Our amended and restated right of first refusal and co-sale agreement ("ROFR Agreement") provides for rights of first refusal and co-sale and drag along rights in respect of sales by certain holders of our capital stock. Our amended and restated voting agreement, as amended ("Voting Agreement"), contains provisions with respect to the election of our board of directors and its composition. The rights under each of the ROFR Agreement and Voting Agreement will terminate upon the closing of this offering.

Our amended and restated investors' rights agreement ("Investor Rights Agreement") provides certain holders of our convertible preferred stock with a participation right to purchase their pro rata share of new securities that we may propose to sell and issue, subject to certain exceptions. Such participation right will terminate upon the closing of this offering. The Investor Rights Agreement further provides certain holders of our capital stock with the right to demand that we file a registration statement, subject to certain limitations, and to request that their shares be covered by a registration statement that we are otherwise filing. See the section titled "*Description of Capital Stock — Registration Rights*" appearing elsewhere in this prospectus, for additional information regarding such registration rights.

Employment Arrangements

We have entered into offer letter agreements with certain of our executive officers and granted stock options to our executive officers, as more fully described in the section titled "*Executive Compensation*."

Equity Grants

We have granted stock options to purchase our shares of common stock to certain of our executive officers and directors. For more information regarding the stock options granted to our executive officers and directors, see the sections titled "*Executive Compensation*" and "*Director Compensation*" included elsewhere in this prospectus.

Indemnification Agreements

Our amended and restated certificate of incorporation will contain provisions limiting the liability of directors and officers, and our amended and restated bylaws will provide that we will indemnify each of our directors and officers to the fullest extent permitted under Delaware law. Our amended and restated certificate of incorporation and amended and restated bylaws will also provide our board of directors with discretion to indemnify our employees and other agents when determined appropriate by the board of directors. In addition, we have entered into or intend to enter into an indemnification agreement with each of our directors and executive officers, which will require us to indemnify them. For more information regarding these agreements, see the section titled "*Management — Limitations on Liability and Indemnification*."

Policies and Procedures for Transactions with Related Persons

In connection with this offering, we have adopted a written policy, to become effective upon the effectiveness of the registration statement of which this prospectus forms a part, that our executive officers, directors, nominees for election as a director, beneficial owners of more than 5% of any series of our common stock, and any members of the immediate family of any of the foregoing persons are not permitted to enter into a related person transaction with us without the approval or ratification of our board of directors or our audit committee. Any request for us to enter into a transaction with an executive officer, director, nominee for election as a director, beneficial owner of more than 5% of any series of our common stock, or any member of the immediate family of any of the foregoing persons, in which the amount involved exceeds $120,000 (or, if less, 1% of the average of our total assets in a fiscal year) and such person would have a direct or indirect interest, must be presented to our board of directors or our audit committee for review, consideration, and approval. In approving or rejecting any such proposal, our board of directors or our audit committee is to consider the material facts of the transaction, including whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related person's interest in the transaction.

PRINCIPAL STOCKHOLDERS

The following table sets forth information regarding beneficial ownership of our capital stock as of September 5, 2026 by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our common stock;
- each of our directors and director nominees;
- each of our named executive officers; and
- all of our current executive officers and directors as a group.

We have determined beneficial ownership in accordance with the rules of the SEC. Under these rules, beneficial ownership includes any shares of common stock as to which the individual or entity has sole or shared voting power or investment power. Unless otherwise indicated below, to our knowledge the persons and entities named in the table have sole voting and sole investment power with respect to all shares that they beneficially owned, subject to community property laws where applicable. We have deemed shares of common stock subject to options that are currently exercisable or exercisable within 60 days of September 5, 2026 to be outstanding and to be beneficially owned by the person holding the option for the purpose of computing the percentage ownership of that person but have not treated them as outstanding for the purpose of computing the percentage ownership of any other person.

Applicable percentage ownership before the offering is based on an aggregate of 35,213,806 shares of common stock (which includes 1,662,486 shares of restricted common stock subject to repurchase or forfeiture) deemed to be outstanding as of September 5, 2026, after giving effect to the automatic conversion of all outstanding shares of convertible preferred stock into shares of common stock immediately prior to the completion of this offering, and assuming an initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus.

Applicable percentage ownership after the offering is based on shares of common stock assumed to be outstanding immediately after the completion of this offering (including the sale of shares of common stock in this offering and assuming no exercise of the underwriters' option to purchase additional shares).

Unless otherwise indicated, the address for each beneficial owner listed in the table below is c/o City Therapeutics, Inc., 399 Binney Street, Cambridge, Massachusetts 02142.

Name of Beneficial Owner	Shares of Common Stock Beneficially Owned	Percentage of Shares Beneficially Owned	
		Before Offering	After Offering
5% or Greater Stockholders:			
ARCH Venture Fund XII, L.P.[1]	12,312,218	34.96%	
Invus Public Equities, L.P.[2]	2,938,966	8.35%	
FMR LLC[3]	3,517,971	9.99%	
Entities Affiliated with Viking[4]	1,845,585	5.24%	
Named Executive Officers and Directors:			
Andrew (Andy) Orth, M.B.A.[5] *President, Chief Executive Officer and Director*	996,581	2.83%	
Baisong Mei, M.D., Ph.D.[6] *Chief Medical Officer*	213,675	*	
Tracy Zimmermann, Ph.D.[7] *Chief Scientific Officer*	245,445	*	
John Maraganore, Ph.D.[8]	1,931,925	5.48%	
Barry Greene[9]	28,395	*	
Robert Nelsen, M.B.A.[1]	—	*	
Saraswathy (Sara) V. Nochur, Ph.D.[10]	23,852	*	
Ron Philip[11]	30,666	*	
All executive officers and directors as a group (10 persons)[12]	3,964,415	11.14%	

* Represents beneficial ownership of less than 1%.

(1) Consists of (i) 2,475,000 shares of common stock, (ii) 3,000,000 shares of common stock issuable upon conversion of Series Seed convertible preferred stock, (iii) 4,991,633 shares of common stock issuable upon conversion of Series A convertible preferred stock, and (iv) 1,845,585 shares of common stock issuable upon conversion of Series B convertible preferred stock held by ARCH Venture Fund XII, L.P. ("ARCH XII"). ARCH Venture Partners XII, L.P. ("AVP XII LP") is the general partner of ARCH XII. ARCH Venture Partners XII, LLC ("AVP XII LLC") is the general partner of AVP XII LP. Keith Crandell, Kristina Burow, Steven Gillis and Robert Nelsen, a member of our board of directors, comprise the investment committee of AVP XII LLC (the "AVP XII LLC Committee Members"). Each of AVP XII LP and AVP XII LLC may be deemed to beneficially own the shares held by ARCH XII, and each of the AVP XII LLC Committee Members may be deemed to share the power to direct the disposition and vote of the shares held by ARCH XII. Each of AVP XII LP, AVP XII LLC and the AVP XII LLC Committee Members disclaims beneficial ownership except to the extent of their pecuniary interest therein, if any. The address for ARCH Venture Partners and the individuals listed above is c/o ARCH Venture Partners, 8755 W. Higgins Rd., Suite 1025, Chicago, IL 60631.

(2) Consists of (i) 2,492,646 shares of common stock issuable upon conversion of Series A convertible preferred stock, and (ii) 446,320 shares of common stock issuable upon conversion of Series B convertible preferred stock held by Invus Public Equities, L.P. ("IPE"). Invus Public Equities Advisors, LLC ("IPEA") controls IPE, as its general partner and accordingly, may be deemed to beneficially own the shares held by IPE. Invus Global Management, LLC ("IGM") controls IPEA, as its managing member and accordingly, may be deemed to beneficially own the shares that IPEA may be deemed to beneficially own. Siren, L.L.C. ("Siren") controls IGM, as its managing member and accordingly, may be deemed to beneficially own the shares that IGM may be deemed to beneficially own. Raymond Debbane, as the managing member of Siren, controls Siren and accordingly, may be deemed to beneficially own the shares that Siren may be deemed to beneficially own. The business address for IPE, IPEA, IGM, Siren and Mr. Raymond Debbane is 750 Lexington Ave, 30th Floor, New York, New York 10022.

(3) Consists of (i) 1,196,546 shares of common stock issuable upon the conversion of Series A convertible preferred stock held by Fidelity Growth Company Commingled Pool, (ii) 800,961 shares of common stock issuable upon the conversion of Series A convertible preferred stock held by Fidelity Mt. Vernon Street Trust: Fidelity Growth Company Fund, (iii) 298,887 shares of common stock issuable upon the conversion of Series A convertible preferred stock held by Fidelity Mt. Vernon Street Trust: Fidelity Growth Company K6 Fund, (iv) 196,252 shares of common stock issuable upon the conversion of Series A convertible preferred stock held by Fidelity Mt. Vernon Street Trust: Fidelity Series Growth Company Fund, (v) 43,200 shares of common stock issuable upon the conversion of Series B convertible preferred stock held by Fidelity Advisor Series VII: Fidelity Advisor Biotechnology Fund, (vi) 138,100 shares of common stock issuable upon the conversion of Series B convertible preferred stock held by Fidelity Growth Company Commingled Pool, (vii) 104,700 shares of common stock issuable upon the conversion of Series B convertible preferred stock held by Fidelity Mt. Vernon Street Trust: Fidelity Growth Company Fund, (viii) 29,200 shares of common stock issuable upon the conversion of Series B

convertible preferred stock held by Fidelity Mt. Vernon Street Trust: Fidelity Growth Company K6 Fund, (ix) 25,825 shares of common stock issuable upon the conversion of Series B convertible preferred stock held by Fidelity Mt. Vernon Street Trust: Fidelity Series Growth Company Fund, and (x) 684,300 shares of common stock issuable upon the conversion of Series B convertible preferred stock held by Fidelity Select Portfolios: Biotechnology Portfolio. The funds and accounts identified in this footnote are advised or managed by direct or indirect subsidiaries of FMR LLC, and the shares held by such funds or accounts are beneficially owned, or may be deemed to be beneficially owned, by FMR LLC, certain of its subsidiaries, affiliates, and other companies. Abigail P. Johnson is a director, the Chairman, and the Chief Executive Officer of FMR LLC. Members of the Johnson family, including Abigail P. Johnson, are the predominant owners, directly or through trusts, of Series B voting common shares representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders' voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders' voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. The address for FMR LLC is 245 Summer Street, Boston, MA 02210.

(4) Consists of (i) 1,291,910 shares of common stock issuable upon the conversion of Series B convertible preferred stock held by Viking Global Opportunities Illiquid Investments Sub-Master LP (the "Opportunities Fund") and (ii) 553,675 shares of common stock issuable upon the conversion of Series B convertible preferred stock held by Viking Global Opportunities Vintage IV (Aggregator) LP (the "Vintage IV Fund"). The Opportunities Fund has the authority to dispose of and vote the shares directly owned by it, which power may be exercised by its general partner, Viking Global Opportunities Portfolio GP LLC (the "Opportunities GP"), and by Viking Global Investors LP ("VGI"), which provides managerial services to the Opportunities Fund. The Vintage IV Fund has the authority to dispose of and vote the shares directly owned by it, which power may be exercised by its general partner, Viking Global Opportunities Vintage IV Portfolio GP LLC (the "Vintage IV GP") and VGI, which provides managerial services to the Vintage IV Fund. O. Andreas Halvorsen and Rose S. Shabet, as Executive Committee Members of Viking Global Partners LLC (the general partner of VGI) and Viking Global Opportunities Parent GP LLC (the "Parent GP"), the sole member of each of (i) Viking Global Opportunities GP LLC (which is the sole member of the Opportunities GP) and (ii) Viking Global Opportunities Vintage IV GP LLC (which is the sole member of the Vintage IV GP, have shared authority to dispose of and vote the shares of common stock beneficially owned by VGI and the Parent GP and each may be deemed to beneficially own the shares of common stock that the Opportunities Fund and the Vintage IV Fund directly own. The business address of the entities is c/o Viking Global Investors LP, 600 Washington Boulevard, Floor 11, Stamford, Connecticut 06901.

(5) Consists of (i) 968,000 shares of common stock (including restricted common stock subject to repurchase or forfeiture) and (ii) 28,581 shares of common stock underlying outstanding stock options that are immediately exercisable within 60 days of September 5, 2026.

(6) Consists of (i) 208,271 shares of common stock (including restricted common stock subject to repurchase or forfeiture) and (ii) 5,404 shares of common stock underlying outstanding stock options that are immediately exercisable within 60 days of September 5, 2026.

(7) Consists of 245,445 shares of common stock underlying outstanding stock options that are immediately exercisable within 60 days of September 5, 2026.

(8) Consists of: (i) 782,969 shares of common stock (including restricted common stock subject to repurchase or forfeiture) held by Dr. Maraganore, (ii) 500,000 shares of common stock issuable upon the conversion of Series Seed convertible preferred stock, (iii) 56,095 shares of common stock issuable upon the conversion of Series A convertible preferred stock, (iv) 290,000 shares of common stock held by the John M. Maraganore 2021 Irrevocable Trust, (v) 290,000 shares of common stock held by the Christine Maraganore 2021 Irrevocable Trust, and (vi) 12,861 shares of common stock underlying outstanding stock options that are immediately exercisable within 60 days of September 5, 2026. Dr. Maraganore may be deemed to beneficially own the shares held by the John M. Maraganore 2021 Irrevocable Trust and the Christine Maraganore 2021 Irrevocable Trust.

(9) Consists of 28,395 shares of common stock underlying outstanding stock options that are immediately exercisable within 60 days of September 5, 2026.

(10) Consists of 23,852 shares of common stock underlying outstanding stock options that are immediately exercisable within 60 days of September 5, 2026.

(11) Consists of 30,666 shares of common stock underlying outstanding stock options that are immediately exercisable within 60 days of September 5, 2026.

(12) Consists of (i) 3,025,914 shares of common stock (including restricted common stock subject to repurchase or forfeiture), (ii) 500,000 shares of common stock issuable upon the conversion of Series Seed convertible preferred stock, (iii) 56,095 shares of common stock issuable upon the conversion of Series A convertible preferred stock, and (iv) 382,406 shares of common stock underlying outstanding stock options that are immediately exercisable within 60 days of September 5, 2026.

DESCRIPTION OF CAPITAL STOCK

General

The following description of our capital stock and certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws are summaries and are qualified by reference to the amended and restated certificate of incorporation, which will become effective immediately prior to the completion of this offering, and the amended and restated bylaws, which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part. Copies of these documents have been filed with the SEC as exhibits to our registration statement, of which this prospectus forms a part. The descriptions of the common stock and preferred stock reflect changes to our capital structure that will be in effect on the completion of this offering.

Upon the filing of our amended and restated certificate of incorporation and the completion of this offering, our authorized capital stock will consist of 500,000,000 shares of common stock, par value $0.0001 per share, and 10,000,000 shares of preferred stock, par value $0.0001 per share, all of which shares of preferred stock will be undesignated.

As of June 30, 2026, there were 35,032,654 shares of common stock (which includes 1,788,606 shares of restricted common stock subject to repurchase or forfeiture) outstanding and held of record by stockholders. This amount assumes the conversion of all outstanding shares of our convertible preferred stock into common stock, which will occur immediately prior to the completion of this offering.

Common Stock

Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of the stockholders. The holders of our common stock do not have any cumulative voting rights. Holders of our common stock are entitled to receive ratably any dividends declared by our board of directors out of funds legally available for that purpose, subject to any preferential dividend rights of any outstanding convertible preferred stock. Our common stock has no preemptive rights, conversion rights or other subscription rights or redemption or sinking fund provisions.

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.

Preferred Stock

Immediately prior to the completion of this offering, all outstanding shares of our convertible preferred stock will be converted into shares of our common stock. Upon the consummation of this offering, our board of directors will have the authority, without further action by our stockholders, to issue up to 10,000,000 shares of preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting, or the designation of, such series, any or all of which may be greater than the rights of common stock. The issuance of our preferred stock could adversely affect the voting power of holders of common stock and the likelihood that such holders will receive dividend payments and payments upon our liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change in control of our company or other corporate action. Immediately after consummation of this offering, no shares of preferred stock will be outstanding, and we have no present plan to issue any shares of preferred stock.

Stock Options

As of June 30, 2026, 4,920,950 shares of common stock were issuable upon the exercise of outstanding stock options under the 2023 Plan, at a weighted-average exercise price of $2.16 per share; and shares of our common stock were reserved for future issuance under the 2026 Plan, which

will become effective once the registration statement of which this prospectus forms a part is declared effective, as well as any future automatic annual increases in the number of shares of common stock reserved for issuance under the 2026 Plan, and any shares underlying outstanding stock awards granted under the 2023 Plan, that expire or are repurchased, forfeited, cancelled or withheld. For additional information regarding terms of our equity incentive plans, see the section titled "*Executive Compensation — Employee Benefit and Equity Compensation Plans*."

Registration Rights

Upon the completion of this offering and subject to the lock-up agreements entered into in connection with this offering and federal securities laws, certain holders of shares of our common stock, including those shares of our common stock that will be issued upon the conversion of our convertible preferred stock in connection with this offering, will initially be entitled to certain rights with respect to registration of such shares under the Securities Act. These shares are referred to as registrable securities. The holders of these registrable securities possess registration rights pursuant to the terms of the Investor Rights Agreement and are described in additional detail below. The registration of shares of our common stock pursuant to the exercise of the registration rights described below would enable the holders to trade these shares without restriction under the Securities Act when the applicable registration statement is declared effective. We will pay all registration expenses, other than underwriting discounts, selling commissions and stock transfer taxes, of the shares registered pursuant to the demand, piggyback and Form S-3 registrations described below.

Generally, in an underwritten offering, the managing underwriter, if any, has the right, subject to specified conditions and limitations, to limit the number of shares the holders may include. The demand, piggyback and Form S-3 registration rights described below will expire no later than four years after the completion of this offering.

Form S-1 Registration Rights

Upon the completion of this offering, certain holders of our common stock, including those issuable upon the conversion of shares of our convertible preferred stock upon completion of this offering, will be entitled to certain demand registration rights. At any time beginning 180 days after the completion of this offering, the holders of a majority of registrable securities then outstanding may request that we register all or a portion of their shares on Form S-1 if the anticipated aggregate offering price of the shares offered would exceed $75 million. With certain exceptions, we are not required to effect the filing of a registration statement during the period starting with the date of the filing of, and ending on a date 60 days following the effective date of the registration statement for this offering. We will not be required to effect more than two registrations pursuant to this provision of the Investor Rights Agreement.

Piggyback Registration Rights

In connection with this offering, certain holders of our common stock, including those issuable upon the conversion of shares of our convertible preferred stock upon completion of this offering, were entitled to, and the necessary percentage of holders waived, their rights to notice of this offering and to include their shares of registrable securities in this offering. After this offering, in the event that we propose to register any of our securities under the Securities Act, either for our own account or for the account of other security holders, the holders of these shares will be entitled to certain piggyback registration rights allowing the holder to include their shares in such registration, subject to certain marketing and other limitations.

Form S-3 Registration Rights

Upon the completion of this offering, certain holders of our common stock, including those issuable upon the conversion of shares of our convertible preferred stock upon completion of this offering, will be entitled to certain Form S-3 registration rights. Holders of at least 20% of registrable securities then outstanding can make a request that we register their shares on Form S-3 if we are qualified to file a registration statement on Form S-3 and if the anticipated aggregate offering price of the shares offered would exceed $5 million. We will not be required to effect more than two registrations on Form S-3 within

any twelve-month period pursuant to this provision of the Investor Rights Agreement. The right to have such shares registered on Form S-3 is further subject to other specified conditions and limitations.

Expiration of Registration Rights

The demand registration rights and short-form registration rights granted under the investor rights agreement will terminate on the earliest of (i) the closing of a "Deemed Liquidation Event," as such term is defined in our certificate of incorporation (as currently in effect), (ii) the fifth anniversary of the completion of this offering and (iii) such time after consummation of this offering as SEC Rule 144 or another similar exemption under the Securities Act is available for the sale of all of the securities subject to such registration rights without limitation during a three-month period without registration.

Anti-Takeover Effects of Our Certificate of Incorporation and Bylaws and Delaware Law

Our amended and restated certificate of incorporation and amended and restated bylaws will include a number of provisions that may have the effect of delaying, deferring or preventing another party from acquiring control of us and encouraging persons considering unsolicited tender offers or other unilateral takeover proposals to negotiate with our board of directors rather than pursue non-negotiated takeover attempts. These provisions include the items described below.

Board Composition and Filling Vacancies

Our amended and restated certificate of incorporation will provide for the division of our board of directors into three classes serving staggered three-year terms, with one class being elected each year. Our amended and restated certificate of incorporation also will provide that directors may be removed only for cause and then only by the affirmative vote of the holders of two-thirds or more of the shares then entitled to vote at an election of directors. Furthermore, any vacancy on our board of directors, however occurring, including a vacancy resulting from an increase in the size of our board, may only be filled by the affirmative vote of a majority of our directors then in office even if less than a quorum. The classification of directors, together with the limitations on removal of directors and treatment of vacancies, has the effect of making it more difficult for stockholders to change the composition of our board of directors.

No Written Consent of Stockholders

Our amended and restated certificate of incorporation will provide that all stockholder actions are required to be taken by a vote of the stockholders at an annual or special meeting, and that stockholders may not take any action by written consent in lieu of a meeting. This limit may lengthen the amount of time required to take stockholder actions and would prevent the amendment of our amended and restated bylaws or removal of directors by our stockholders without holding a meeting of stockholders.

Meetings of Stockholders

Our amended and restated certificate of incorporation and amended and restated bylaws will provide that only a majority of the members of our board of directors then in office may call special meetings of stockholders and only those matters set forth in the notice of the special meeting may be considered or acted upon at a special meeting of stockholders. Our amended and restated bylaws limit the business that may be conducted at an annual meeting of stockholders to those matters properly brought before the meeting.

Advance Notice Requirements

Our amended and restated bylaws will establish advance notice procedures with regard to stockholder proposals relating to the nomination of candidates for election as directors or new business to be brought before meetings of our stockholders. These procedures provide that notice of stockholder proposals must be timely given in writing to our corporate secretary prior to the meeting at which the action is to be taken. Generally, to be timely, notice must be received at our principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary date of the annual meeting for

the preceding year. Our amended and restated bylaws specify the requirements as to form and content of all stockholders' notices. These requirements may preclude stockholders from bringing matters before the stockholders at an annual or special meeting.

Amendment to Certificate of Incorporation and Bylaws

Any amendment to our amended and restated certificate of incorporation must first be approved by a majority of our board of directors, and if required by law or our amended and restated certificate of incorporation, must thereafter be approved by a majority of the outstanding shares entitled to vote on the amendment and a majority of the outstanding shares of each class entitled to vote thereon as a class, except that the amendment of the provisions relating to stockholder action, board composition and limitation of liability must be approved by not less than two-thirds of the outstanding shares entitled to vote on the amendment, and not less than two-thirds of the outstanding shares of each class entitled to vote thereon as a class. Our amended and restated bylaws may be amended by the affirmative vote of a majority of the directors then in office, subject to any limitations set forth in the amended and restated bylaws; and may also be amended by the affirmative vote of a majority of the outstanding shares entitled to vote on the amendment, voting together as a single class, except that the amendment of the provisions relating to notice of stockholder business and nominations and special meetings must be approved by not less than two-thirds of the outstanding shares entitled to vote on the amendment, and not less than two-thirds of the outstanding shares of each class entitled to vote thereon as a class, or, if our board of directors recommends that the stockholders approve the amendment, by the affirmative vote of the majority of the outstanding shares entitled to vote on the amendment, in each case voting together as a single class.

Undesignated Preferred Stock

Our amended and restated certificate of incorporation will provide for 10,000,000 authorized shares of preferred stock. The existence of authorized but unissued shares of preferred stock may enable our board of directors to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or otherwise. For example, if in the due exercise of its fiduciary obligations, our board of directors were to determine that a takeover proposal is not in the best interests of our stockholders, our board of directors could cause shares of preferred stock to be issued without stockholder approval in one or more private offerings or other transactions that might dilute the voting or other rights of the proposed acquirer or insurgent stockholder or stockholder group. In this regard, our amended and restated certificate of incorporation will grant our board of directors broad power to establish the rights and preferences of authorized and unissued shares of preferred stock. The issuance of shares of preferred stock could decrease the amount of earnings and assets available for distribution to holders of shares of common stock. The issuance may also adversely affect the rights and powers, including voting rights, of these holders and may have the effect of delaying, deterring or preventing a change in control of us.

Section 203 of the Delaware General Corporation Law

Upon completion of this offering, we will be subject to the provisions of Section 203 of the DGCL. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a three-year period following the time that this stockholder becomes an interested stockholder, unless the business combination is approved in a prescribed manner. Under Section 203, a business combination between a corporation and an interested stockholder is prohibited unless it satisfies one of the following conditions:

- before the stockholder became interested, our board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, shares owned by persons who are directors and

also officers, and employee stock plans, in some instances, but not the outstanding voting stock owned by the interested stockholder; or

- at or after the time the stockholder became interested, the business combination was approved by our board of directors and authorized at an annual or special meeting of the stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

Section 203 defines a business combination to include:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, lease, pledge or other disposition involving the interested stockholder of 10% or more of the assets of the corporation;
- subject to exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- subject to exceptions, any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; and
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated with or controlling or controlled by the entity or person.

Choice of Forum

Our amended and restated bylaws will provide that the Court of Chancery of the State of Delaware is the sole and exclusive forum for the following claims or causes of action under the Delaware statutory or common law: (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of, or a claim based on, a breach of a fiduciary duty owed by any of our current or former directors, officers or other employees or stockholders to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation or amended and restated bylaws (including the interpretation, validity or enforceability thereof) or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware or (iv) any action asserting a claim governed by the internal affairs doctrine.

However, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all claims brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. Consequently, this choice of forum provision would not apply to claims or causes of action brought to enforce a duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction or the Securities Act. Moreover, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all claims brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder.

In addition, our amended and restated bylaws will provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause or causes of action arising under the Securities Act, including all causes of action asserted against any defendant to such complaint. For the avoidance of doubt, this provision is intended to benefit and may be enforced by us, our officers and directors, the underwriters to any offering giving rise to such complaint, and any other professional entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering.

While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the

exclusive forum provisions, and there can be no assurance that such provisions will be enforced by a court in those other jurisdictions. We note that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder.

Additionally, our amended and restated bylaws will provide that any person or entity holding, owning or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to these provisions.

Limitations on Liability and Indemnification

See the section titled "*Management — Limitations on Liability and Indemnification*" appearing elsewhere in this prospectus.

Exchange Listing

Our common stock is currently not listed on any securities exchange. We have applied to have our common stock approved for listing on Nasdaq under the symbol "CTY."

Transfer Agent and Registrar

On the completion of this offering, the transfer agent and registrar for our common stock will be Computershare Trust Company, N.A. The transfer agent's address is 150 Royall Street, Suite 101, Canton, MA 02021.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock. Future sales of substantial amounts of our common stock, including shares issued on the exercise of outstanding options, in the public market after this offering, or the possibility of these sales or issuances occurring, could adversely affect the prevailing market price for our common stock or impair our ability to raise equity capital. Although we have applied to list our common stock on Nasdaq, we cannot assure you that there will be an active public market for our common stock.

Following the completion of this offering, based on our shares outstanding as of June 30, 2026, a total of shares of common stock will be outstanding, assuming no exercise of the underwriters' option to purchase additional shares and no exercise of outstanding options. Of the outstanding shares, all of the shares sold in this offering will be freely tradable.

All remaining shares of common stock held by existing stockholders immediately prior to the completion of this offering will be "restricted securities" as such term is defined in Rule 144. These restricted securities were issued and sold by us, or will be issued and sold by us, in private transactions and are eligible for public sale only if registered under the Securities Act or if they qualify for an exemption from registration under the Securities Act, including the exemptions provided by Rule 144 or Rule 701, summarized below.

Rule 144

In general, under Rule 144 as currently in effect, once we have been subject to public company reporting requirements of Section 13 or Section 15(d) of the Exchange Act for at least 90 days, an eligible stockholder is entitled to sell such shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. To be an eligible stockholder under Rule 144, such stockholder must not be deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and must have beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than our affiliates. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then such person is entitled to sell such shares without complying with any of the requirements of Rule 144, subject to the expiration of the lock-up agreements described below.

In general, under Rule 144, as currently in effect, our affiliates or persons selling shares on behalf of our affiliates are entitled to sell shares on expiration of the lock-up agreements described below. Beginning 90 days after the date of this prospectus, within any three-month period, such stockholders may sell a number of shares that does not exceed the greater of:

- 1% of the number of shares of common stock then outstanding, which will equal approximately shares immediately after this offering, assuming no exercise of the underwriters' option to purchase additional shares of common stock from us; or
- the average weekly trading volume of our common stock on Nasdaq during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 701

Rule 701 under the Securities Act ("Rule 701") generally allows a stockholder who was issued shares under a written compensatory plan or contract and who is not deemed to have been an affiliate of our company during the immediately preceding 90 days, to sell these shares in reliance on Rule 144, but without being required to comply with the public information, holding period, volume limitation or notice provisions of Rule 144. Rule 701 also permits affiliates of our company to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. All holders of

Rule 701 shares, however, are required by that rule to wait until 90 days after the date of this prospectus before selling those shares under Rule 701, subject to the expiration of the lock-up agreements described below.

Form S-8 Registration Statements

We intend to file one or more registration statements on Form S-8 under the Securities Act with the SEC to register the offer and sale of shares of our common stock that are issuable under the 2023 Plan, the 2026 Plan and the ESPP. These registration statements will become effective immediately upon filing. Shares covered by these registration statements will then be eligible for sale in the public markets, subject to vesting restrictions, any applicable lock-up agreements described below, and Rule 144 limitations applicable to affiliates.

Lock-Up Arrangements

We, all of our directors and officers, and the holders of substantially all of our capital stock and securities convertible into or exchangeable for our capital stock have entered into lock-up agreements with the underwriters and/or are subject to market standoff agreements or other agreements with us, which prevents them from selling any of our common stock or any securities convertible into or exercisable or exchangeable for common stock for a period of not less than 180 days from the date of this prospectus without the prior written consent of Goldman Sachs & Co. LLC and Jefferies LLC, subject to certain exceptions. See the section titled "*Underwriting*" appearing elsewhere in this prospectus for more information.

Registration Rights

Upon completion of this offering, certain holders of our securities will be entitled to various rights with respect to registration of their shares under the Securities Act. Registration of these shares under the Securities Act would result in these shares becoming fully tradable without restriction under the Securities Act immediately upon the effectiveness of the registration. See the section titled "*Description of Capital Stock — Registration Rights*" appearing elsewhere in this prospectus for more information.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES FOR NON-U.S. HOLDERS

The following discussion is a summary of material U.S. federal income tax consequences to non-U.S. holders (as defined below) of the ownership and disposition of our common stock issued pursuant to this offering. This discussion is based on the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations promulgated thereunder, published rulings and administrative pronouncements of the U.S. Internal Revenue Service (the "IRS"), and judicial decisions, all as in effect on the date hereof. These authorities are subject to differing interpretations and may change, possibly with retroactive effect, resulting in U.S. federal income tax consequences different from those discussed below. We have not requested a ruling from the IRS with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with such statements and conclusions.

This discussion is limited to non-U.S. holders who purchase our common stock pursuant to this offering and who hold our common stock as a "capital asset" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion is not a complete analysis of all potential U.S. federal income tax consequences relating thereto, does not address the potential application of the Medicare contribution tax on net investment income, any alternative minimum tax, or the special tax accounting rules under Section 451(b) of the Code, and also does not address any U.S. federal non-income tax consequences, such as estate or gift tax consequences, or any tax consequences arising under any state, local or non-U.S. tax laws. This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a non-U.S. holder in light of such non-U.S. holder's particular circumstances. This discussion also does not consider any specific facts or circumstances that may be relevant to non-U.S. holders subject to special rules under the U.S. federal income tax laws, including:

- certain former citizens, or long-term residents of the United States;
- partnerships or other entities or arrangements treated as pass-through or disregarded entities for U.S. federal income tax purposes (and investors therein);
- "controlled foreign corporations";
- "passive foreign investment companies";
- "foreign controlled foreign corporations";
- corporations that accumulate earnings to avoid U.S. federal income tax;
- banks, mutual funds, financial institutions, investment funds, insurance companies, brokers, dealers or traders in stock, securities, commodities or currencies;
- tax-exempt organizations and governmental organizations;
- tax-qualified retirement plans;
- persons who acquire our common stock through the exercise of an option or otherwise as compensation;
- qualified foreign pension funds as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds;
- persons that own, or have owned, actually or constructively, more than 5% of our common stock;
- persons who have elected to mark securities to market; and
- persons holding our common stock as part of a hedging or conversion transaction or straddle, or synthetic security or a constructive sale, or other risk reduction strategy or integrated investment.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds our common stock, the U.S. federal income tax treatment of a partner in the partnership generally will depend on the status of the partner, the activities of the partnership and certain determinations

made at the partner level. Partnerships holding our common stock and the partners in such partnerships are urged to consult their tax advisors about the particular U.S. federal income tax consequences to them of owning and disposing of our common stock.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE PARTICULAR U.S. FEDERAL INCOME TAX CONSEQUENCES TO THEM OF OWNING AND DISPOSING OF OUR COMMON STOCK, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER ANY STATE, LOCAL OR NON-U.S. TAX LAWS AND ANY OTHER U.S. FEDERAL TAX LAWS OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Definition of Non-U.S. Holder

For purposes of this discussion, a non-U.S. holder is any beneficial owner of our common stock that is for U.S. federal income tax purposes:

- a non-resident alien individual;
- a corporation or any organization taxable as a corporation for U.S. federal income tax purposes that is not created or organized under the laws of the United States, any state thereof, or the District of Columbia; or
- a foreign trust or estate, the income of which is not subject to U.S. federal income tax on a net income basis.

Distributions on Our Common Stock

As described under "*Dividend Policy*," we do not currently anticipate declaring or paying, for the foreseeable future, any distributions on our capital stock. However, if we were to distribute cash or other property on our common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will then constitute a return of capital and will first be applied against and reduce a holder's tax basis in our common stock, but not below zero. Any excess will be treated as gain realized on the sale or other disposition of our common stock and will be treated as described under "— *Gain on Disposition of Our Common Stock*" below.

Subject to the discussions below regarding effectively connected income, backup withholding and FATCA (as defined below), dividends paid to a non-U.S. holder of our common stock generally will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends or such lower rate specified by an applicable income tax treaty. To receive the benefit of a reduced treaty rate, a non-U.S. holder must furnish to us or our withholding agent with a timely and valid IRS Form W-8BEN (in the case of individuals) or IRS Form W-8BEN-E (in the case of entities), or other appropriate form, certifying such holder's qualification for the reduced rate. This certification must be provided to us or our withholding agent before the payment of the dividends and must be updated periodically. If the non-U.S. holder holds our common stock through a financial institution or other agent acting on the non-U.S. holder's behalf, the non-U.S. holder will be required to provide appropriate documentation to the agent, which then will be required to provide certification to us or our withholding agent, either directly or through other intermediaries.

If a non-U.S. holder holds our common stock in connection with the conduct of a trade or business in the United States, and dividends paid on our common stock are effectively connected with such holder's U.S. trade or business (and, if required by an applicable tax treaty, are attributable to such holder's permanent establishment or fixed base in the United States), such non-U.S. holder generally will be exempt from U.S. federal withholding tax. To claim the exemption, the non-U.S. holder generally must furnish a valid IRS Form W-8ECI (or applicable successor form), certifying that the dividends are effectively connected with the non-U.S. Holder's conduct of a trade or business within the United States to the applicable withholding agent.

However, any such effectively connected dividends paid on our common stock generally will be subject to U.S. federal income tax on a net income basis at the regular U.S. federal income tax rates in the same manner as if such holder were a resident of the United States. A non-U.S. holder that is a corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of its effectively connected dividends, as adjusted for certain items.

Non-U.S. holders that do not provide the required certification on a timely basis, but that qualify for a reduced treaty rate, may obtain a refund or credit of any excess amounts withheld by timely filing an appropriate claim with the IRS. Non-U.S. holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

Gain on Disposition of Our Common Stock

Subject to the discussions below regarding backup withholding and FATCA (as defined below), a non-U.S. holder generally will not be subject to U.S. federal income tax on any gain realized on the sale or other taxable disposition of our common stock, unless:

- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States and, if required by an applicable income tax treaty, is attributable to a permanent establishment or fixed base maintained by the non-U.S. holder in the United States;
- the non-U.S. holder is a nonresident alien individual who is present in the United States for a period or periods aggregating 183 days or more during the taxable year of the disposition, and certain other requirements are met; or
- our common stock constitutes a "United States real property interest" by reason of our status as a United States real property holding corporation ("USRPHC") for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding the disposition or the non-U.S. holder's holding period for our common stock, and our common stock is not "regularly traded" on an "established securities market" within the meaning of applicable Treasury Regulations, during the calendar year in which the sale or other disposition occurs.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular U.S. federal income tax rates in the same manner as if such holder were a resident of the United States. A non-U.S. holder that is a corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items.

Gain described in the second bullet point above will be subject to U.S. federal income tax at a flat 30% rate (or such lower rate specified by an applicable income tax treaty), but may be offset by certain U.S.-source capital losses of the non-U.S. holder (even though the individual is not considered a resident of the United States), provided that the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses.

Determining whether we are a USRPHC depends on the fair market value of our United States real property interests relative to the fair market value of our worldwide real property interests and our other trade or business assets. We believe that we are not currently and we do not anticipate becoming a USRPHC for U.S. federal income tax purposes, although there can be no assurance we have not been, are not currently or will not in the future become a USRPHC. Even if we are treated as a USRPHC, gain realized by a non-U.S. holder on a disposition of our common stock will not be subject to U.S. federal income tax so long as (1) the non-U.S. holder owned, directly, indirectly and constructively, no more than 5% of our common stock at all times within the shorter of (a) the five-year period preceding the disposition or (b) the holder's holding period and (2) our common stock is "regularly traded" on an "established securities market," within the meaning of applicable U.S. Treasury Regulations. There can be no assurance that our common stock qualifies as regularly traded on an established securities market for purposes of the rules described above. Prospective investors are encouraged to consult their own tax advisors regarding the possible consequences to them if we have been, are or were to become a USRPHC.

Non-U.S. holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Annual reports are required to be filed with the IRS and provided to each non-U.S. holder indicating the amount of distributions on our common stock paid to such holder and the amount of any tax withheld with respect to those distributions. These information reporting requirements apply even if no withholding was required because the distributions were effectively connected with the holder's conduct of a U.S. trade or business, or withholding was reduced or eliminated by an applicable income tax treaty. This information also may be made available under a specific treaty or agreement with the tax authorities in the country in which the non-U.S. holder resides or is established. Backup withholding, currently at a 24% rate, generally will not apply to payments to a non-U.S. holder of distributions on or the gross proceeds of a disposition of our common stock provided the non-U.S. holder furnishes the required certification for its non-U.S. status, such as by providing a valid IRS Form W-8BEN, IRS Form W-8BEN-E or IRS Form W-8ECI, or otherwise establishes an exemption, and if the payor does not have actual knowledge, or reason to know, that the holder is a U.S. person who is not an exempt recipient.

Backup withholding is not an additional tax. If any amount is withheld under the backup withholding rules, the non-U.S. holder should consult with a U.S. tax advisor regarding the possibility of and procedure for obtaining a refund or a credit against the non-U.S. holder's U.S. federal income tax liability, if any.

Withholding on Foreign Entities

Sections 1471 through 1474 of the Code, which are commonly referred to as FATCA, impose a U.S. federal withholding tax of 30% on certain payments made to a "foreign financial institution" (as specially defined under these rules) unless such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding certain U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or an exemption applies. FATCA also generally imposes a U.S. federal withholding tax of 30% on certain payments made to a "non-financial foreign entity" (as specially defined under these rules) unless such entity provides the withholding agent a certification that it does not have any "substantial United States owners" or provides information identifying certain direct and indirect U.S. owners of the entity or an exemption applies. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. Under certain circumstances, a non-U.S. holder might be eligible for refunds or credits of such taxes. FATCA currently applies to dividends paid on our common stock and would have applied also to payments of gross proceeds from the sale or other disposition of our common stock. However, proposed regulations under FATCA provide for the elimination of the federal withholding tax of 30% applicable to gross proceeds of a sale or other disposition of property of a type that can produce U.S.-source dividends or interest. Under these proposed Treasury Regulations (which may be relied upon by taxpayers prior to finalization), FATCA withholding does not apply to gross proceeds from sales or other dispositions of our common stock.

Prospective investors are encouraged to consult with their tax advisors regarding the possible implications of FATCA on their investment in our common stock.

EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF ACQUIRING, OWNING AND DISPOSING OF OUR COMMON STOCK, INCLUDING THE CONSEQUENCES OF ANY RECENT AND PROPOSED CHANGE IN APPLICABLE LAW, AS WELL AS TAX CONSEQUENCES ARISING UNDER ANY STATE, LOCAL, NON-U.S. OR U.S. FEDERAL NON-INCOME TAX LAWS.

UNDERWRITING

We and the underwriters named below have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman Sachs & Co. LLC and Jefferies LLC are the representatives of the underwriters.

Underwriters	Number of Shares
Goldman Sachs & Co. LLC	
Jefferies LLC	
Stifel, Nicolaus & Company, Incorporated	
Oppenheimer & Co. Inc.	
Total	

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

The underwriters have an option to buy up to an additional shares of our common stock from us to cover sales by the underwriters of a greater number of shares than the total number set forth in the table above. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by us. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase up to an additional shares of our common stock from us.

	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. After the initial offering of the shares, the representatives may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to their receipt and acceptance of the shares being offered and subject to the underwriters' right to reject any order in whole or in part.

We and our officers, directors, and holders of substantially all of our capital stock and securities convertible into or exchangeable for our common stock have agreed or will agree with the underwriters, subject to certain exceptions, not to dispose of or hedge any of our or their common stock or securities convertible into or exchangeable for shares of common stock (collectively, "Lock-Up Securities") during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of Goldman Sachs & Co. LLC and Jefferies LLC. See the section titled "*Shares Eligible for Future Sale*" for a discussion of certain transfer restrictions.

The restrictions described in the immediately preceding paragraph do not apply to our officers, directors and holders of substantially all of our capital stock and securities convertible into or exchangeable for our common stock with respect to:

Transfers of Lock-Up Securities (i) as one or more bona fide gifts or charitable contributions, or for bona fide estate planning purposes, (ii) upon death by will, testamentary document or intestate succession, (iii) if the lock-up party is a natural person, to any member of the lock-up party's immediate family or to any trust for the direct or indirect benefit of such lock-up party or the immediate family of such lock-up party or, if such lock-up party is a trust, to a trust, trustee (or co-trustee) or beneficiary of

the trust or the estate of a beneficiary of such trust, (iv) to a corporation, partnership, limited liability company, investment fund or other entity (A) of which the lock-up party and the immediate family of the lock-up party are the legal and beneficial owner of all of the outstanding equity securities or similar interests or (B) controlled by, or under common control with, the undersigned or the immediate family of the undersigned, (v) to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under clauses (i) through (iv) above, (vi) if the lock-up party is a corporation, partnership, limited liability company, trust or other business entity, (A) to another corporation, partnership, limited liability company or other business entity that is a subsidiary or an affiliate (as defined in Rule 405 under the Securities Act) of such lock-up party, or to any investment fund or other entity which fund or entity is controlled or managed by or under common control or common investment management with the lock-up party or affiliates of such lock-up party (including, for the avoidance of doubt, where the undersigned is a partnership, to its general partner or a successor partnership or fund, or any other funds managed by such partnership), or (B) as part of a disposition, transfer or distribution by the lock-up party to its stockholders, partners, members or other equityholders or to the estate of any such stockholders, partners, members or other equityholders, (vii) by operation of law, such as pursuant to a qualified domestic order, divorce settlement, divorce decree or separation agreement, (viii) to us upon death or disability of the lock-up party, or, if the lock-up party is one of our employees upon death, disability or termination of employment, in each case, of such employee, (ix) if the lock-up party is not one of our officers or directors, in connection with a sale of such lock-up party's shares of common stock acquired (A) from the underwriters in this offering or (B) in open market transactions after the closing date of this offering, or (x) to us in connection with the vesting, settlement or exercise of restricted stock units, options, warrants or other rights or instruments to purchase or acquire shares of common stock (including, in each case, by way of "net" or "cashless" exercise), including any transfer to us for the payment of tax withholdings or remittance payments due as a result of the vesting, settlement or exercise of such restricted stock units, options, warrants or other rights or instruments, or in connection with the conversion of convertible securities, in all such cases pursuant to equity awards granted under a stock incentive plan or other equity award plan, or pursuant to the terms of convertible securities, each as described in this prospectus, provided that any securities received upon such vesting, settlement, exercise or conversion shall be subject to the terms of the lock-up agreement;

provided that (A) in the case of clauses (i), (ii), (iii), (iv), (v) and (vi) above, such transfer or distribution shall not involve a disposition for value, (B) in the case of clauses (i), (ii), (iii), (iv), (v), (vi) and (vii) above, it shall be a condition to the transfer or distribution that the donee, devisee, transferee or distributee, as the case may be, shall sign and deliver a lock up agreement containing the same restrictions set forth above, (C) in the case of clauses (ii), (iii), (iv), (v) and (vi) above, no filing by any party (including, without limitation, any donor, donee, devisee, transferor, transferee, distributor or distributee) under the Exchange Act or other public filing, report or announcement reporting a reduction in beneficial ownership of Lock-Up Securities shall be required or shall be voluntarily made in connection with such transfer or distribution (other than a filing on a Form 5 or a filing required pursuant to Section 13 of the Exchange Act and the rules and regulations promulgated thereunder, in each case, made after the expiration of the lock-up period), and (D) in the case of clauses (i), (vii), (viii), (ix) and (x) above, no filing under the Exchange Act or other public filing, report or announcement shall be voluntarily made, and if any such filing, report or announcement shall be legally required during the lock-up period, such filing, report or announcement shall clearly indicate in the footnotes thereto (A) the circumstances of such transfer or distribution and (B) in the case of a transfer or distribution pursuant to clauses (i) or (vii) above, that the donee, devisee, transferee or distributee has agreed to be bound by a lock-up agreement containing the same restrictions set forth above.

In addition, the lock-up party may (a) enter into a written plan meeting the requirements of Rule 10b5-1 under the Exchange Act relating to the transfer, sale or other disposition of the lock-up party's Lock-Up Securities, if then permitted by us, provided that none of the securities subject to such plan may be transferred, sold or otherwise disposed of until after the expiration of the lock-up period and no public announcement, report or filing under the Exchange Act, or any other public filing, report or announcement, shall be voluntarily made regarding the establishment of such plan during the lock-up period, and if any such filing, report or announcement shall be legally required during the lock-up period, such filing, report or announcement shall clearly indicate in the footnotes thereto that none of the securities subject to such plan may be transferred, sold or otherwise disposed of pursuant to such plan

until after the expiration of the lock-up period, (b) transfer the lock-up party's Lock-Up Securities to us pursuant to an agreement under which we have the option to repurchase shares or a right of first refusal with respect to transfer of such shares, provided that no filing under the Exchange Act or other public filing, report or announcement shall be voluntarily made, and if any such filing, report or announcement shall be legally required during the lock-up period, such filing, report or announcement shall clearly indicate in the footnotes thereto the circumstances of such transfer or distribution, (c) (i) transfer its Lock-Up Securities pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction that is approved by our board of directors and made to all holders of our capital stock involving a change of control of us, in one transaction or a series of related transactions, to a person or group of affiliated persons, of shares of capital stock if, after such transfer, such person or group of affiliated persons would hold at least a majority of our outstanding voting securities (or the voting securities of the surviving entity) and (ii) enter into any lock-up, voting or similar agreement pursuant to which the undersigned may agree to transfer, sell, tender or otherwise dispose of common stock or other such securities in connection with a transaction described in clause (i); provided that in the event that such tender offer, merger, consolidation or other similar transaction is not completed, the lock-up party's Lock-Up Securities shall remain subject to the provisions of the lock-up agreement, or (d) convert outstanding shares of our convertible preferred stock, warrants to acquire convertible preferred stock or convertible securities into shares of common stock or warrants to acquire shares of common stock, provided that any such shares received upon such conversion shall remain subject to the provisions of the lock-up agreement.

The restrictions on transfers or other dispositions by us described above do not apply to us with respect to: .

Prior to the offering, there has been no public market for the shares of our common stock. The initial public offering price has been negotiated among us and the representatives. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be our historical performance, estimates of the business potential and earnings prospects of us, an assessment of our management and the consideration of the above factors in relation to market valuation of companies in related businesses.

We have applied to list our common stock on the Nasdaq Global Market under the symbol "CTY."

In connection with the offering, the underwriters may purchase and sell shares of our common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A "covered short position" is a short position that is not greater than the amount of additional shares for which the underwriters' option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option described above. "Naked" short sales are any short sales that create a short position greater than the amount of additional shares for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of our common stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of our common stock. As a result, the price of our common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on the Nasdaq Global Market, in the over-the-counter market or otherwise.

We estimate that our share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act. The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates may in the future provide a variety of these services to us and to persons and entities with relationships with us, for which they will receive customary fees and expenses. In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of ours (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with us. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Selling Restrictions

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

European Economic Area

In relation to each Member State of the European Economic Area (each, a "Relevant Member State"), an offer to the public of any securities may not be made in that Relevant Member State prior to the publication of a prospectus in relation to the securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Regulation, except that an offer to the public in that Relevant Member State of any securities may be made at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a "qualified investor" as defined under the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than "qualified investors" as defined under the Prospectus Regulation), subject to obtaining the prior consent of the underwriters for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of securities shall result in a requirement for the company or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or a supplemental prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any securities or to whom any offer is made will be deemed to have represented, warranted and agreed to and with each of the underwriters and the company that it is a qualified investor within the meaning of Article 2 of the Prospectus Regulation.

In the case of any securities being offered to a financial intermediary as that term is used in Article 1(4) of the Prospectus Regulation, each financial intermediary will also be deemed to have represented, warranted and agreed that the securities acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any securities to the public, other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the underwriters has been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an "offer to the public" in relation to any securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any securities to be offered so as to enable an investor to decide to purchase or subscribe for any securities, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

United Kingdom

This prospectus has been prepared on the basis that the offering of the securities falls within one of the exceptions specified in Part 1 of Schedule 1 of the Public Offers and Admissions to Trading Regulations 2024 (the "POATRs") and, accordingly, there will not be a prospectus prepared or published for the purposes of the POATRs. This prospectus does not constitute a prospectus for the purposes of the POATRs.

An offer to the public of any shares may not be made in the United Kingdom, except that an offer to the public in the United Kingdom of any shares may be made at any time under the following exemptions:

(a) at any time to any legal entity which is a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs;

(b) at any time to fewer than 150 persons (other than qualified investors as defined in paragraph 15 of Schedule 1 to the POATRs) in the United Kingdom subject to obtaining the prior consent of the relevant underwriters nominated by us for any such offer; or

(c) at any time in any other circumstances falling within Part 1 of Schedule 1 to the POATRs.

For the purposes of this provision, the expression an "offer to the public" in relation to any securities in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities.

Canada

The securities may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions, and Ongoing Registrant Obligations. Any resale of the securities must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Hong Kong

The securities have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (the "SFO") and any rules made thereunder; or (b) in other circumstances which do not result in this prospectus being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (the "CO") or which do not constitute an offer to the public within the meaning of the CO. No advertisement, invitation or document relating to the securities has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the securities may not be offered or sold, or made the subject of an invitation for subscription or purchase, nor may this prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the securities be circulated, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Japan

The securities have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act. Accordingly, none of the securities nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any "resident" of, Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission in relation to this offering. This prospectus does not constitute a prospectus, product disclosure statement, or other disclosure document under Chapter 6D.2 of the Corporations Act 2001 (the "Corporations Act"), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the securities may only be made to persons (the "Exempt Investors") who are "sophisticated investors" (within the meaning of section 708(8) of the Corporations Act), "professional investors" (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the securities without disclosure to investors under Chapter 6D of the Corporations Act.

The securities applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise, or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances and, if necessary, seek expert advice on those matters.

Dubai International Financial Centre

This prospectus relates to an "Exempt Offer" in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the "DFSA"). This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The securities to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities should conduct their own due diligence on the securities. If you do not understand the contents of this prospectus, you should consult an authorized financial advisor.

United Arab Emirates

The securities have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this prospectus does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority, Financial Services Regulatory Authority (FSRA) or the Dubai Financial Services Authority.

Switzerland

The securities may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This prospectus has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this prospectus nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this prospectus nor any other offering or marketing material relating to the offering, us or the securities has been or will be filed with or approved by any Swiss regulatory authority. In particular, this prospectus will not be filed with, and the offer of securities will not be supervised by, FINMA, and the offer of securities has not been and will not be authorized under CISA. The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the securities.

Brazil

The offer and sale of the securities have not been and will not be registered with the Brazilian Securities Commission (Comissão de Valores Mobiliários, or "CVM") and, therefore, will not be carried out by any means that would constitute a public offering in Brazil under CVM Resolution No. 160, dated 13 July 2022, as amended, or unauthorized distribution under Brazilian laws and regulations. The securities may only be offered to Brazilian Professional Investors (as defined by applicable CVM regulation), who may only acquire the securities through a non-Brazilian account, with settlement outside Brazil in non-Brazilian currency. The trading of these securities on regulated securities markets in Brazil is prohibited.

LEGAL MATTERS

The validity of the shares of our common stock being offered in this prospectus will be passed upon for us by Goodwin Procter LLP. Cooley LLP is representing the underwriters in this offering.

EXPERTS

The consolidated financial statements as of December 31, 2025 and 2024 and for the years then ended included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the Securities and Exchange Commission (the "SEC") a registration statement on Form S-1 (File Number 333-) under the Securities Act with respect to the shares of common stock offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all the information set forth in the registration statement, some of which is contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our common stock, we refer you to the registration statement, including the exhibits filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit. The SEC also maintains an internet website that contains reports and other information about issuers, like us, that file electronically with the SEC. The address of that website is *www.sec.gov*.

We currently do not file periodic reports with the SEC. On the completion of this offering, we will be subject to the information reporting requirements of the Exchange Act, and we will file reports, proxy statements and other information with the SEC. These reports, proxy statements and other information will be available for review at the website of the SEC referred to above.

We also maintain a website at *www.citytx.com*. Information contained in, or accessible through, our website is not a part of this prospectus, and the inclusion of our website address in this prospectus is only as an inactive textual reference. Upon completion of this offering, you may access, free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reported filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC.

CITY THERAPEUTICS, INC.

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Page
Audited Consolidated Financial Statements as of and for the Years Ended December 31, 2024 and 2025	
Report of Independent Registered Public Accounting Firm	F-2
Consolidated Balance Sheets as of December 31, 2024 and 2025	F-3
Consolidated Statements of Operations and Comprehensive Loss for the years ended December 31, 2024 and 2025	F-4
Consolidated Statements of Convertible Preferred Stock and Stockholders' Deficit for the years ended December 31, 2024 and 2025	F-5
Consolidated Statements of Cash Flows for the years ended December 31, 2024 and 2025	F-6
Notes to Consolidated Financial Statements	F-7
Unaudited Condensed Consolidated Financial Statements as of and for the Six Months Ended June 30, 2025 and 2026	
Condensed Consolidated Balance Sheets as of December 31, 2025 and June 30, 2026	F-41
Condensed Consolidated Statements of Operations and Comprehensive Loss for the six months ended June 30, 2025 and 2026	F-42
Condensed Consolidated Statements of Convertible Preferred Stock and Stockholders' Deficit for the six months ended June 30, 2025 and 2026	F-43
Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2025 and 2026	F-44
Notes to Condensed Consolidated Financial Statements	F-45

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of City Therapeutics, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of City Therapeutics, Inc. and its subsidiary (the "Company") as of December 31, 2025 and 2024, and the related consolidated statements of operations and comprehensive loss, convertible preferred stock and stockholders' deficit, and cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
Boston, Massachusetts
July 14, 2026

We have served as the Company's auditor since 2025.

CITY THERAPEUTICS, INC.

CONSOLIDATED BALANCE SHEETS

(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	December 31,	
	2024	**2025**
Assets		
Current assets		
Cash and cash equivalents	$126,899	$112,793
Accounts receivable	1,352	1,209
Prepaid expenses and other current assets	651	2,871
Total current assets	128,902	116,873
Property and equipment, net	4,362	5,489
Operating lease right-of-use asset	10,516	24,857
Restricted cash	1,528	2,504
Other non-current assets	45	45
Total assets	$145,353	$149,768
Liabilities, convertible preferred stock and stockholders' deficit		
Current liabilities		
Accounts payable	$ 2,339	$ 2,695
Convertible notes, current	10,276	10,805
Operating lease liability, current	3,092	5,075
Deferred revenue, current	3,361	11,255
Accrued interest	385	2,642
Accrued expenses and other current liabilities	1,289	5,570
Total current liabilities	20,742	38,042
Operating lease liability, non-current	8,927	20,341
Convertible notes, non-current, net	—	31,063
Other liabilities, non-current	—	463
Deferred revenue, non-current	595	—
Total liabilities	30,264	89,909
Commitments and contingencies (Note 8)		
Series Seed convertible preferred stock, $0.0001 par value; 4,544,990 and 4,544,990 shares authorized as of December 31, 2024 and 2025; 4,544,990 and 4,544,990 shares issued and outstanding as of December 31, 2024 and 2025; aggregate liquidation preference of $4,545 and $4,545 as of December 31, 2024 and 2025	4,475	4,475
Series A convertible preferred stock, $0.0001 par value; 14,295,436 and 14,295,436 shares authorized as of December 31, 2024 and 2025; 13,996,318 and 13,996,318 shares issued and outstanding as of December 31, 2024 and 2025; aggregate liquidation preference of $140,376 and $140,376 as of December 31, 2024 and 2025	140,039	140,039
Stockholders' deficit:		
Common stock, $0.0001 par value; 30,000,000 and 30,000,000 shares authorized as of December 31, 2024 and 2025; 5,915,726 and 7,076,593 shares issued as of December 31, 2024 and 2025; 4,076,142 and 5,181,249 shares outstanding as of December 31, 2024 and 2025	—	—
Additional paid-in capital	1,174	4,449
Accumulated deficit	(30,599)	(89,104)
Total stockholders' deficit	(29,425)	(84,655)
Total liabilities, convertible preferred stock and stockholders' deficit	$145,353	$149,768

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

CITY THERAPEUTICS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	Years ended December 31,	
	2024	2025
Collaboration revenue	$ 2,778	$ 13,562
Operating expenses:		
Research and development[1]	25,682	58,420
General and administrative[2]	6,186	15,064
Total operating expenses	31,868	73,484
Loss from operations	(29,090)	(59,922)
Other income:		
Interest income	2,397	4,208
Interest expense	(448)	(2,257)
Other expense, net	(695)	(534)
Total other income, net	1,254	1,417
Net loss and comprehensive loss	$ (27,836)	$ (58,505)
Net loss per share, basic and diluted	$ (8.18)	$ (12.46)
Weighted-average common shares outstanding, basic and diluted	3,403,747	4,696,166

(1) Includes related party amounts of $3.6 million and $5.3 million for research and development expenses for the years ended December 31, 2024 and 2025, respectively. See Note 17 — Related Parties.

(2) Includes related party amounts of $0.7 million and $1.1 million for general and administrative expenses for the years ended December 31, 2024 and 2025, respectively. See Note 17 — Related Parties.

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

CITY THERAPEUTICS, INC.

CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT

(IN THOUSANDS, EXCEPT SHARE AMOUNTS)

	Series Seed Convertible Preferred Stock		Series A Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance as of January 1, 2024	4,519,990	$4,451	—	$ —	3,042,060	$ —	$ 45	$ (2,763)	$ (2,718)
Issuance of Series Seed convertible preferred stock, net of issuance costs of $1	25,000	24	—	—	—	—	—	—	—
Issuance of Series A convertible preferred stock, net of issuance costs of $336	—	—	13,435,354	134,414	—	—	—	—	—
Conversion of convertible debt to Series A convertible preferred stock	—	—	560,964	5,625	—	—	—	—	—
Issuance of common stock in exchange for settlement of antidilution provision	—	—	—	—	29,522	—	124	—	124
Vesting of restricted common stock	—	—	—	—	1,004,560	—	—	—	—
Stock-based compensation expense	—	—	—	—	—	—	1,005	—	1,005
Net loss	—	—	—	—	—	—	—	(27,836)	(27,836)
Balance as of December 31, 2024	4,544,990	$4,475	13,996,318	$140,039	4,076,142	$ —	$1,174	$ (30,599)	$ (29,425)
Issuance of common stock from exercised options	—	—	—	—	384,098	—	278	—	278
Vesting of restricted common stock	—	—	—	—	721,009	—	—	—	—
Stock-based compensation expense	—	—	—	—	—	—	2,997	—	2,997
Net loss	—	—	—	—	—	—	—	(58,505)	(58,505)
Balance as of December 31, 2025	4,544,990	$4,475	13,996,318	$140,039	5,181,249	$ —	$4,449	$ (89,104)	$ (84,655)

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

CITY THERAPEUTICS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(IN THOUSANDS)

	Years ended December 31,	
	2024	**2025**
Cash flows from operating activities		
Net loss	$ (27,836)	$ (58,505)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation	424	1,172
Stock-based compensation	1,005	2,997
Non-cash interest expense	64	2,257
Non-cash operating lease expense	626	314
Gain on lease modification	—	(1,024)
Change in fair value of convertible notes	866	1,606
Convertible note discount amortization	(27)	21
Gain on sale of property and equipment	(131)	(26)
Changes in operating assets and liabilities:		
Accounts receivable	(1,352)	143
Prepaid expenses and other current assets	(624)	(2,222)
Accounts payable, accrued expenses and other current liabilities	2,537	4,591
Deferred revenue	3,956	7,299
Operating lease liabilities	101	(234)
Net cash used in operating activities	(20,391)	(41,611)
Cash flows from investing activities		
Purchases of property and equipment	(3,537)	(2,405)
Proceeds from sale of property and equipment	158	27
Net cash used in investing activities	(3,379)	(2,378)
Cash flows from financing activities		
Proceeds from issuance of convertible notes payable	15,000	30,000
Payment of convertible notes payable issuance costs	—	(35)
Proceeds from exercise of stock options	—	894
Proceeds from issuance of Series Seed convertible preferred stock	25	—
Payment of Series Seed convertible preferred stock issuance costs	(1)	—
Proceeds from issuance of Series A convertible preferred stock	134,750	—
Payment of Series A convertible preferred stock issuance costs	(336)	—
Net cash provided by financing activities	149,438	30,859
Net increase (decrease) in cash, cash equivalents, and restricted cash	125,668	(13,130)
Cash, cash equivalents, and restricted cash at beginning of the period	2,759	128,427
Cash, cash equivalents, and restricted cash at end of the period	$128,427	$115,297
Supplemental disclosure of noncash investing and financing activities:		
Property and equipment included in accounts payable and accrued expenses	211	107
Conversion of convertible debt into Series A convertible preferred stock	5,625	—
Acquisition of leasehold improvements	1,066	—
Reclassification from early exercise liability, non-current to early exercise liability, current	—	379
Settlement of antidilution obligation	124	—
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	—	25,055

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

CITY THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of Business

Organization

City Therapeutics, Inc. (the Company or City) is a clinical-stage biotechnology company developing the next generation of RNAi therapeutics designed to silence the expression of disease-relevant proteins, with the aim of delivering meaningful and durable benefits for patients in need.

The Company was incorporated in the state of Delaware on July 17, 2023, and has a principal office in Cambridge, Massachusetts.

Liquidity and Capital Resources

Since inception, the Company has devoted substantially all of its efforts to research and development activities, advancing development of the portfolio of programs and platforms, raising capital, developing and maintaining its intellectual property, hiring personnel, and providing general and administrative support for these operations. The Company is subject to risks and uncertainties common to companies in the biotechnology industry, including but not limited to, risks of failure of preclinical studies and clinical trials, development and manufacturing of potential future product candidates, obtaining regulatory approval for potential future product candidates, competition from substitute products, the need to successfully commercialize and gain market acceptance of its potential future product candidates, dependence on key personnel, protection of proprietary technology, compliance with government regulations, development by competitors of technological innovations and the ability to secure additional capital to fund operations.

There can be no assurance that the Company's research and development efforts will be successfully completed, that adequate protection for the Company's intellectual property will be obtained, that any products developed will obtain necessary government regulatory approval or that any approved products will be commercially viable. Even if the Company's product development efforts are successful, it is uncertain when, if ever, the Company will generate significant revenue from product sales. The Company operates in an environment of rapid change in technology and substantial competition from pharmaceutical and biotechnology companies. In addition, the Company is dependent upon the services of its employees and consultants.

The Company has incurred net losses of $27.8 million and $58.5 million during the years ended December 31, 2024 and 2025, respectively. As of December 31, 2024 and 2025, the Company had an accumulated deficit of $30.6 million and $89.1 million, respectively. As of December 31, 2025, the Company had cash, cash equivalents, and restricted cash of $115.3 million. To date, the Company's financing has primarily been through the sale of its Series Seed, Series A and Series B convertible preferred stock, as well as capital received from its collaboration arrangements with Bausch + Lomb Ireland Limited (Bausch + Lomb) and Biogen MA Inc. (Biogen).

The Company has evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that these consolidated financial statements are issued. As of the issuance date of the consolidated financial statements, the Company expects its cash and cash equivalents, together with proceeds received from the Series B convertible preferred stock, will be sufficient to fund its operating expenses and capital expenditure requirements for at least the next twelve months from the date these consolidated financial statements were available to be issued. The future viability of the Company beyond that point is dependent on its ability to raise additional capital to finance its operations.

Until such time that the Company can generate significant product revenues, if ever, the Company expects to seek additional funding through private and public equity financings, additional collaborations, strategic alliances and marketing, distribution or licensing arrangements. The Company is seeking to complete an initial public offering (IPO) of its common stock. Upon the completion of a qualifying public

CITY THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Nature of Business (Continued)

offering on specified terms, the Company's outstanding convertible preferred stock will automatically convert into shares of common stock (see Note 10). In the event the Company does not complete an IPO, 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 additional collaborations or other arrangements. The terms of any financing may adversely affect the holdings or the rights of the Company's stockholders.

If the Company is unable to obtain sufficient funding, the Company will be forced to delay, scale back or discontinue some or all of its research and development programs, product portfolio expansion efforts or commercialization efforts, which could adversely affect its business prospects. Although management continues to pursue these plans, there is no assurance that the Company will be successful in obtaining sufficient funding on terms acceptable to the Company to fund continuing operations, if at all.

2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). Any reference in these notes to applicable guidance is meant to refer to the authoritative GAAP as found in the Accounting Standards Codification (ASC) and Accounting Standards Update (ASU) of the Financial Accounting Standards Board (FASB).

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of City Therapeutics, Inc. and its wholly owned subsidiary, City Therapeutics Securities Corporation. All intercompany balances and transactions have been eliminated in consolidation.

Segment Data

The Company views its operations and manages its business as a single segment for the purposes of assessing performance and making operating decisions. The Company's chief operating decision maker (CODM) reviews the Company's financial information on a consolidated basis for purposes of assessing performance and allocating resources. The Company's CODM is the Chief Executive Officer (CEO).

Use of Estimates

The preparation of the Company's consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the consolidated financial statements, and the reported amounts of expenses during the reporting period. Significant estimates and assumptions reflected in these consolidated financial statements include, but are not limited to, estimates and assumptions for the valuation of common stock and stock-based compensation expense, the incremental borrowing rate related to the Company's lease, fair value measurement of convertible notes, and the accrual of research and development expenses. 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 when there are changes in circumstances, facts and experience. Changes in estimates are recorded in the period in which they become known. Actual results could differ from those estimates, and any such differences may be material to the Company's consolidated financial statements.

2. Basis of Presentation and Summary of Significant Accounting Policies (Continued)

Cash, Cash Equivalents, and Restricted Cash

Cash represents funds in the Company's operating and savings bank accounts. The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

As of December 31, 2024 and 2025, restricted cash consists of cash placed in a restricted bank account as required under the terms of the Company's lease agreement, which is recorded as restricted cash within the Company's consolidated balance sheets.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash as reported within the Company's consolidated balance sheets to cash, cash equivalents, and restricted cash in the consolidated statements of cash flows (in thousands):

	December 31,	
	2024	2025
Cash and cash equivalents	$126,899	$112,793
Restricted cash	1,528	2,504
Total cash, cash equivalents, and restricted cash	$128,427	$115,297

Concentration of Credit Risk

The Company has no significant off-balance sheet concentrations of credit risk, such as foreign currency exchange contracts, option contracts, or other hedging arrangements. Financial instruments that potentially subject the Company to concentrations of credit risk primarily consist of cash and cash equivalents balances in several accounts with two financial institutions which often exceed federally insured limits. The Company places its cash in accredited financial institutions and the Company does not believe that it is subject to credit risk beyond the normal credit risk associated with commercial banking relationships.

Fair Value Measurements

The accounting guidance defines fair value, establishes a consistent framework for measuring fair value and expands disclosure for each major asset and liability category measured at fair value on either a recurring or non-recurring basis. Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the accounting guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1: Observable inputs such as quoted prices in active markets.

Level 2: Inputs, other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

As permitted under ASC 825, *Financial Instruments* (ASC 825), the Company has elected the fair value option to account for its convertible notes issued. The Company believes that measuring the notes at fair value better reflects the economics of the instruments because the notes contain multiple embedded

2. Basis of Presentation and Summary of Significant Accounting Policies (Continued)

features, including conversion rights, that would otherwise require separate accounting analyses. The fair value option simplifies the accounting for the instruments and provides users of the financial statements with information that is more representative of the current value of the Company's obligations. In accordance with ASC 825, the Company records the convertible notes at fair value at each reporting period until settlement, with changes in fair value recorded in the consolidated statements of operations and comprehensive loss. As a result of applying the fair value option, direct costs and fees related to the convertible notes were recognized in earnings as incurred and not deferred.

The Company was obligated to issue to the Ohio State Innovation Foundation (OSIF) shares of the Company's common stock pursuant to an antidilution provision (Antidilution Obligation) included within the Company's exclusive license agreement with OSIF (Note 9). At the time of the agreement with OSIF, the Company recorded the Antidilution Obligation at fair value and remeasured the liability at each reporting period, with changes in fair value recognized in the consolidated statement of operations and comprehensive loss. The OSIF Antidilution Obligation was settled in April 2024.

The Company's convertible notes are classified within the Level 3 designation and are recorded at fair value on a recurring basis until settled. The carrying amounts of the Company's financial instruments, including cash and cash equivalents, prepaid expenses and other current assets, accounts payable, and accrued liabilities, approximate fair value due to their relatively short maturities.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are stated at the historical carrying amount net of write-offs and allowance for credit losses in accordance with ASC 326, *Financial Instruments — Credit Losses*. The Company makes judgments as to its ability to collect outstanding receivables and provides an estimate of expected credit losses for receivables when collection becomes doubtful. The Company's receivables relate to amounts reimbursed under its research and license agreements. The Company believes that credit risk associated with its research and license partners is not significant. The Company analyzes the actual payment history of its customer, the aging of receivables, current customer-specific developments and economic trends to estimate the reserve for current expected credit losses. To date, the Company has not had any write-offs of accounts receivable, and the Company did not have an allowance for expected credit losses as of December 31, 2024 and 2025.

Deferred Offering Costs

The Company capitalizes certain legal, professional, accounting, and other third-party fees that are directly associated with in-process equity financings as deferred offering costs until such equity financings are consummated. After consummation of the equity financing, these costs are recorded as a reduction in the proceeds from the offering, either as a reduction of the carrying amount of the convertible preferred stock or in stockholders' deficit as a reduction of additional paid-in capital generated as a result of the offering. Should the in-process equity financing be abandoned, the deferred offering costs are expensed immediately as a charge to operating expenses in the consolidated statement of operations and comprehensive loss. As of December 31, 2024 and 2025, no deferred offering costs were recorded within prepaid expenses and other current assets and other non-current assets within the consolidated balance sheets.

2. Basis of Presentation and Summary of Significant Accounting Policies (Continued)

Property and Equipment, Net

Property and equipment consists of laboratory equipment, computers, furniture and office equipment, and is recorded at cost, less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Asset	Estimated Useful Life
Lab equipment	5 years
Computer equipment and software	3 years
Furniture and office equipment	7 years
Leasehold improvements	Shorter of useful life or remaining lease term

Maintenance and repairs that do not improve or extend the lives of the respective assets are expensed to operations as incurred, while costs of major additions and betterments are capitalized. The Company capitalizes laboratory equipment used for research and development if it has alternative future use in research and development or otherwise. Upon retirement or sale, the cost of assets disposed and the related accumulated depreciation and amortization are removed from the accounts and any resulting gain or loss is included in loss from operations.

Impairment of Long-Lived Assets

Long-lived assets consist of property and equipment and operating lease right-of-use assets. The Company continually evaluates long-lived assets for potential impairment whenever events or changes in circumstances indicate that the carrying value of the assets may not be fully recoverable. Factors that the Company considers in deciding when to perform an impairment review include significant underperformance of the business in relation to expectations, significant negative industry or economic trends and significant changes or planned changes in the use of the assets. If an impairment review is performed to evaluate a long-lived asset group for recoverability, the Company compares the carrying values of the asset group to the expected future undiscounted cash flows that the asset group is expected to generate from the use and eventual disposition of the asset group. An impairment loss would be recognized when estimated undiscounted future cash flows expected to result from the use of an asset group are less than its carrying amount of that asset group. The amount of the impairment loss to be recognized would be calculated by the excess of the carrying value of the impaired asset group over the asset group's fair value. The Company did not recognize any impairment losses on long-lived assets during the years ended December 31, 2024 and 2025.

Leases

The Company has an operating lease for office and lab space. At the inception of a lease arrangement, the Company determines whether the arrangement is or contains a lease based on specific facts and circumstances present, the existence of an identified asset(s), if any, and control over the use of the identified asset(s), if applicable. Operating lease liabilities and their corresponding right-of-use assets are recorded based on the present value of future lease payments over the expected lease term. The expected lease term includes noncancelable lease periods and, when applicable, periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option, as well as periods covered by an option to early terminate the lease if the Company is reasonably certain not to exercise that option. The interest rate implicit in lease contracts is typically not readily determinable. As such, the Company uses an incremental borrowing rate, which is the rate incurred to borrow, on a collateralized basis over a similar term, an amount equal to the lease payments in a similar economic environment.

2. Basis of Presentation and Summary of Significant Accounting Policies (Continued)

The Company does not recognize assets or liabilities for leases with lease terms of less than 12 months. Lease payments for short-term leases are recorded to operating expense on a straight-line basis over the lease term and variable lease payments are recorded in the period in which the obligation for those payments is incurred.

The Company has elected, as a policy, to combine lease and non-lease components as a single component for all leases. Operating leases are recognized on the accompanying consolidated balance sheets as operating lease right-of-use assets, operating lease liabilities, current, and operating lease liabilities, non-current. Fixed rents are included in the calculation of the lease balances while variable costs paid for certain operating and passthrough costs are excluded and reflected as expense in the period they are paid. Lease expense is recognized over the expected term on a straight-line basis.

Commitments and Contingencies

The Company may have certain contingent liabilities that arise in the ordinary course of business. The Company accrues a liability for such matters when it is probable that future expenditures will be made and can be reasonably estimated. If some amount within a range of loss appears at the time to be a better estimate than any other amount within the range, the Company accrues that amount. When no amount within the range is a better estimate than any other amount the Company accrues the minimum amount in the range.

Stock-based Compensation

The Company accounts for its stock-based compensation awards in accordance with ASC Topic 718, *Compensation — Stock Compensation* (ASC 718), which requires all stock-based payments to be recognized in the consolidated statements of operations and comprehensive loss based on their fair values. Under the Company's 2023 Stock Plan, as amended (2023 Plan), the Company can grant stock-based awards to employees, directors, and non-employee consultants in the form of stock options to purchase shares of its common stock or restricted stock awards. Compensation expense is measured at estimated fair value on the grant date, and is included as compensation expense over the requisite service period.

The fair value of each stock option award is estimated on the date of grant using the Black-Scholes option pricing model. As there is no public market for its common stock, the Company determined the volatility for awards granted based on an analysis of reported data for a group of guideline public companies. The expected volatility is based on the historical volatility of this group of guideline public companies. The Company expects to continue to do so until such time as it has adequate historical data regarding the volatility of its own traded stock price. The expected term of the Company's stock options has been determined utilizing the "simplified" method for awards that qualify as "plain-vanilla" options. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. The Company has not paid, and does not anticipate paying, cash dividends on its common stock; therefore, the expected dividend yield is assumed to be zero.

As there is no public market for the Company's common stock, the Company determined the fair value of the shares of its common stock underlying its share-based awards by considering a number of objective and subjective factors, including third-party valuations of the Company's common stock, the valuation of comparable companies, the Company's operating and financial performance, and general and industry-specific economic outlook, amongst other factors. The assumptions underlying these valuations represented management's best estimate, with the assistance of a third-party valuation specialist, which involved inherent uncertainties and the application of management's judgment. These third-party valuations were performed in accordance with the guidance outlined in the American

2. Basis of Presentation and Summary of Significant Accounting Policies (Continued)

Institute of Certified Public Accountants' Accounting and Valuation Guide, *Valuation of Privately Held Company Equity Securities Issued as Compensation*. As a result, if the Company had used different assumptions or estimates, the fair value of the Company's common stock and its stock-based compensation expense could have been materially different.

Compensation expense for awards granted to employees and directors with service-based vesting conditions is recognized on a straight-line basis over the requisite service period of the respective award, which is generally the vesting period of the award. Compensation expense for awards granted to non-employees is recognized in the same period and manner as if the Company had paid cash for the services provided, which is generally the vesting period of the award. Compensation for stock options with performance-based vesting conditions is recognized when it is probable that the performance condition will be achieved. The Company accounts for forfeitures of stock-based awards as they occur.

The Company's stock option plan allows for early exercise of stock options prior to vesting. Shares of common stock issued upon early exercise of unvested stock options are considered legally outstanding but are not deemed to be issued for accounting purposes until the underlying options vest. The consideration received for early-exercised shares is recorded as an early exercise liability on the consolidated balance sheets and reclassified to additional paid-in capital as the underlying options vest in accordance with the original vesting schedule. The Company can repurchase the shares at the original exercise price and in the event the employee leaves prior to vesting, any unvested shares are subject to repurchase by the Company at the lower of the exercise price or the fair market value of the restricted shares at the time the repurchase right is exercised.

The Company classifies stock-based compensation expense in its consolidated statements of operations and comprehensive loss in the same manner in which the award recipient's salary and related costs are classified or in which the award recipient's service payments are classified.

Convertible Preferred Stock

The Company records convertible preferred stock at fair value on the dates of issuance, net of issuance costs. Upon the occurrence of certain events that are outside the Company's control, including a deemed liquidation event, such as a merger or consolidation, or a sale or transfer of substantially all of the Company's assets, holders of the convertible preferred stock can cause redemption for cash.

Therefore, the convertible preferred stock is classified outside of permanent stockholders' deficit as mezzanine equity (temporary equity) and is presented in the mezzanine section of the consolidated balance sheets as events triggering the redemption for cash are not solely within the Company's control. The carrying values of the convertible preferred stock are adjusted to their liquidation preferences if and when it becomes probable that such a liquidation event will occur. No accretion was recognized for the years ended December 31, 2024 and 2025 as the contingent events that could give rise to redemption were not deemed probable.

Comprehensive Loss

Comprehensive loss is comprised of net loss and other comprehensive income (loss). For the years ended December 31, 2024 and 2025 there were no differences between net loss and comprehensive loss.

Net loss per share

The Company follows the two-class method when computing net loss per share as the Company has issued convertible preferred stock which are participating securities. The two-class method determines net loss per share for each class of common and participating securities, according to dividends declared

2. Basis of Presentation and Summary of Significant Accounting Policies (Continued)

or accumulated and participation rights in undistributed earnings. The two-class method requires income available to common stockholders for the period to be allocated between common and participating securities based upon their respective rights.

The Company's convertible preferred stock does not contractually require the holders of such shares to participate in losses of the Company. Accordingly, in periods in which the Company reported a net loss attributable to common stockholders, such losses are not allocated to such participating securities. In periods in which the Company reported a net loss attributable to common stockholders, diluted net loss per share attributable to common stockholders is the same as basic net loss per share attributable to common stockholders, since dilutive common stock are not assumed to have been issued if their effect is antidilutive. The Company reported a net loss attributable to common stockholders for the years ended December 31, 2024 and 2025.

Basic net loss per share attributable to common stockholders is computed by dividing net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period. Diluted net loss per share attributable to common stockholders is computed by dividing the diluted net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding for the period, including potential dilutive common stock.

Acquired In-Process Research and Development Expenses

The Company measures and recognizes asset acquisitions or licenses to intellectual property that are not deemed to be business combinations based on the cost to acquire or license the asset or group of assets, which includes transaction costs. Goodwill is not recognized in asset acquisitions or transactions to license intellectual property. In an asset acquisition or license to intellectual property, the cost allocated to acquire in-process research and development (IPR&D) with no alternative future use is recognized as expense on the acquisition date.

Upfront and milestone payments made are accrued for and expensed when the achievement of the milestone is probable up to the point of regulatory approval. Milestone payments made upon regulatory approval are capitalized and amortized over the remaining useful life of the related product.

There were no acquired IPR&D expenses recognized for the years ended December 31, 2024 and 2025.

Patent Costs

The Company expenses patent and patent application costs and related legal costs for the prosecution and maintenance of such patents and patent applications, including patents and patent applications the Company in-licenses, as incurred and classifies such costs as general and administrative expenses in the accompanying consolidated statements of operations and comprehensive loss.

Revenue Recognition

The Company recognizes revenue in accordance with ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606). The Company enters into collaboration agreements and certain other agreements that are within the scope of ASC 606, under which the Company licenses, or grants an option to license rights to certain of the Company's product candidates and performs research and development services in connection with such arrangements. The terms of these arrangements typically include payment of one or more of the following: non-refundable, up-front fees; reimbursement of research and development costs; development, regulatory and commercial sales milestone payments; and royalties on net sales of licensed products.

2. Basis of Presentation and Summary of Significant Accounting Policies (Continued)

Under ASC 606, an entity recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. To determine the appropriate amount of revenue to be recognized for arrangements determined to be within the scope of ASC 606, the Company performs the following five steps: (i) identification of the customer and contract with the customer; (ii) identification of promised goods or services and which are performance obligations; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation. The Company only applies the five-step model to contracts when it is probable that the entity will collect consideration it is entitled to in exchange for the goods or services it transfers to the customer.

The promised goods or services in the Company's arrangements typically consist of a license, or option to license, rights to the Company's intellectual property or research and development services. The Company provides options for additional items in such arrangements, which are accounted for as separate contracts when the customer elects to exercise such options, unless the option provides a material right to the customer. Performance obligations are promised goods or services in a contract to transfer a distinct good or service to the customer and are considered distinct when (i) the customer can benefit from the good or service on its own or together with other readily available resources and (ii) the promised good or service is separately identifiable from other promises in the contract. In assessing whether promised good or services are distinct, the Company considers factors such as the stage of development of the underlying intellectual property, the capabilities of the customer to develop the intellectual property on its own or whether the required expertise is readily available and whether the goods or services are integral or dependent to other goods or services in the contract.

The Company estimates the transaction price based on the amount expected to be received for transferring the promised goods or services in the contract. The consideration may include fixed consideration or variable consideration. At the inception of each arrangement that includes variable consideration, the Company evaluates the amount of potential payment and the likelihood that the payments will be received.

The Company utilizes either the most likely amount method or expected value method to estimate the amount expected to be received based on which method best predicts the amount expected to be received. The amount of variable consideration that is included in the transaction price may be constrained and is included in the transaction price only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognized will not occur in a future period.

The Company's contracts often include development and regulatory milestone payments that are assessed under the most likely amount method and constrained if it is probable that a significant revenue reversal would occur. Milestone payments that are not within the Company's control or the licensee's control, such as regulatory approvals, are not considered probable of being achieved until those approvals are received. At the end of each reporting period, the Company re-evaluates the probability of achievement of such development and regulatory milestones and any related constraint, and if necessary, adjusts its estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis, which would affect collaboration revenue in the period of adjustment.

For arrangements that include sales-based royalties, including milestone payments based on the level of sales, and the license is deemed to be the predominant item to which the royalties relate, the Company recognizes revenue when the related sales occur. To date, the Company has not recognized any royalty revenue resulting from any of the Company's arrangements.

The Company allocates the transaction price based on the estimated standalone selling price. The Company must develop assumptions that require judgment to determine the stand-alone selling price for each performance obligation identified in the contract. The Company utilizes key assumptions to

2. Basis of Presentation and Summary of Significant Accounting Policies (Continued)

determine the stand-alone selling price, which may include other comparable transactions, pricing considered in negotiating the transaction and the estimated costs. Variable consideration is allocated specifically to one or more performance obligations in a contract when the terms of the variable consideration relate to the satisfaction of the performance obligation and the resulting amounts allocated are consistent with the amounts the Company would expect to receive for the satisfaction of each performance obligation.

The consideration allocated to each performance obligation is recognized as revenue when control is transferred for the related goods or services. For performance obligations which consist of licenses and other promises, the Company utilizes judgment to assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of measuring progress. The Company recognizes revenue based on the cost-to-cost method for revenue recognition and total revenue amounts are based on actual costs incurred relative to total costs expected to be incurred.

The Company receives payments from its customers based on billing schedules established in each contract. Up-front payments and fees are recorded as deferred revenue upon receipt or when due until the Company performs its obligations under these arrangements. Amounts are recorded as accounts receivable when the Company's right to consideration is unconditional.

Research and Development

Research and development costs are expensed as incurred. Research and development costs include salaries, stock-based compensation and other employee benefit expenses, consultants, costs of funding research performed by third parties on the Company's behalf, lab-related supplies, and allocated facility-related expenses.

Non-refundable advance payments for goods and services to be received in the future for use in research and development activities are recorded as prepaid expenses on the accompanying consolidated balance sheets. The prepaid amounts are expensed as the related goods are delivered or the services are performed, or when it is no longer expected that the goods will be delivered, or the services rendered.

The Company records accrued liabilities for estimated costs of research and development activities conducted by third-party service providers. The Company accrues these costs based on factors such as estimates of the work completed and in accordance with agreements established with its third-party service providers under the service agreements. The Company makes significant judgments and estimates in determining the accrued liabilities balance in each reporting period. As actual costs become known, the Company adjusts its accrued liabilities. The historical accrual estimates made by the Company have not been materially different from the actual costs.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company assesses the likelihood that its deferred tax assets will be recovered from future taxable income and, to the extent it believes, based upon the weight of available evidence, that it is more likely than not that all or a portion of deferred tax assets will not be realized, a valuation allowance is established through a charge to

2. Basis of Presentation and Summary of Significant Accounting Policies (Continued)

income tax expense. Potential for recovery of deferred tax assets is evaluated by estimating the future taxable profits expected and considering prudent and feasible tax planning strategies. The Company recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely to be realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

The Company records interest related to unrecognized tax benefits and penalties in income tax expenses. The Company did not recognize any interest or penalties in the periods presented.

Recently Adopted Accounting Standards

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* (ASU 2023-09). Additionally, the amendments in the ASU 2023-09 update require entities to disclose certain information about income taxes paid, rate reconciliation, income tax disaggregation, and the removal of disclosures related to temporary differences surrounding deferred tax liabilities to enhance the transparency and decision usefulness of income tax disclosures. For public entities, the amendments in this update are effective for fiscal years beginning after December 15, 2024 and for entities other than public entities, the amendments in this update are effective for fiscal years beginning after December 15, 2025. Early adoption is permitted for any annual periods for which financial statements have not been issued or made available for issuance. The Company elected to early adopt the standard in 2025 on a retrospective basis. See Note 14 — Income Taxes, for further disclosure.

In November 2024, the FASB issued ASU No. 2024-04, *Debt — Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments* (ASU 2024-04), which clarifies the requirements for determining whether the settlement of a convertible debt instrument should be accounted for as an induced conversion or as a debt extinguishment. ASU 2024-04 is effective for the Company for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual periods, with early adoption permitted for entities that have adopted the amendments in ASU 2020-06. Adoption did not have a material impact on the Company's consolidated financial statements and related disclosures.

In September 2025, the FASB issued ASU No. 2025-07 *Derivatives Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract* (ASU 2025-07). The amendments provide for a new scope exception to the derivatives guidance for underlyings based on the operations or activities specific to one of the parties to the contract, and also clarifies that share-based noncash consideration received from a customer as consideration for the transfer of goods or services in a revenue contract is subject to the revenue guidance and not the financial instruments guidance unless and until the company's right to receive or retain the share-based noncash consideration is unconditional as defined in ASU 2025-07. The standard is effective for annual reporting periods beginning after December 15, 2026, including interim reporting periods within those annual periods, with early adoption permitted. The Company adopted this new standard on a prospective basis as of January 1, 2025. Adoption did not have a material impact on the Company's consolidated financial statements and related disclosures.

Recently Issued Accounting Standards

In November 2024, the FASB issued ASU 2024-03, *Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* (ASU 2024-03), which is intended to provide more detailed information about specified categories of expenses included in certain expense captions presented on the statement of operations

2. Basis of Presentation and Summary of Significant Accounting Policies (Continued)

and comprehensive loss. The guidance in ASU 2024-03 is effective for fiscal years beginning after December 15, 2026. Early adoption is permitted. The amendments may be applied either (1) prospectively to financial statements issued for periods after the effective date of ASU 2024-03 or (2) retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating the impact that the adoption of ASU 2024-03 may have on its consolidated financial statements and related disclosures for fiscal years beginning after December 15, 2026.

3. Property and Equipment, Net

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

	December 31,	
	2024	2025
Computer and equipment	$ 24	$ 198
Furniture and fixtures	16	16
Lab equipment	3,680	5,805
Leasehold improvements	1,066	1,066
Total property and equipment, gross	4,786	7,085
Less: accumulated depreciation	(424)	(1,596)
Property and equipment, net	$4,362	$ 5,489

Total depreciation expense for the years ended December 31, 2024 and 2025 was $0.4 million and $1.2 million, respectively.

4. Accrued Expenses and Other Current Liabilities

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

	December 31,	
	2024	2025
Payroll and employee-related costs	$ 887	$2,480
Research and development costs	204	2,162
Other	198	928
Total accrued expenses and other current liabilities	$1,289	$5,570

5. Convertible Notes

Original Notes

In January and February 2024, the Company issued a series of four convertible notes (the Original Notes) to ARCH Venture Fund XII L.P. (ARCH) and one of the Company's founders (the Founder) for aggregate cash proceeds of $5.0 million. The Original Notes accrued interest at a rate of 7% per annum. The Company elected the fair value option to account for the Original Notes.

In April 2024, in connection with the execution of the Company's Series A Convertible Preferred Stock Purchase Agreement (Series A Agreement), the outstanding principal and accrued interest under the Original Notes were automatically converted into 560,964 shares of Series A convertible preferred stock at a discounted conversion price of $9.02655 per share. This price reflects a 10% discount to the

5. Convertible Notes (Continued)

$10.0295 per share purchase price paid by new investors in the Series A financing. The conversion of the Original Notes was accounted for as an extinguishment of debt. The Company recognized the fair value of the Series A convertible preferred stock issued upon conversion in temporary equity on the consolidated balance sheet. As a result, the Company recorded an adjustment of $0.6 million on the Original Notes which was included in total other income, net, in the consolidated statements of operations and comprehensive loss.

B+L Note

In July 2024, the Company, in connection with the research and license agreement entered into with Bausch + Lomb (Note 9), issued a convertible note (B+L Note) to Bausch + Lomb for cash proceeds of $10.0 million. The B+L Note was issued at fair value. The B+L Note bears interest at a rate of 8% per annum and matures on July 8, 2027, unless earlier converted into equity securities of the Company. The Company elected the fair value option to account for the B+L Note. Accordingly, the Company recorded the B+L Note at fair value upon issuance and at each reporting period until settlement, with changes in fair value recorded in the consolidated statements of operations and comprehensive loss.

The principal and accrued interest under the B+L Note will automatically convert into equity securities upon the initial closing of the Company's next equity financing in which the Company raises at least $50.0 million of cash proceeds. The holder of the B+L Note may also elect to convert the note into the equity securities sold in the next equity financing in which the Company raises less than $50.0 million in cash proceeds. The number of shares issued upon conversion will equal the outstanding principal and accrued interest divided by a conversion price equal to 85% of the price paid per share by cash investors in such financing.

The note purchase agreement contains customary events of default, such as failure to pay amounts when due, bankruptcy, and certain material adverse changes. Upon the occurrence of an event of default (and after any applicable cure periods), all outstanding amounts under the B+L Note may be declared immediately due and payable.

For the years ended December 31, 2024 and 2025, the Company recognized $0.4 million and $0.8 million of interest expense related to the B+L Note, respectively. The Company recognized a loss on change in fair value within total other income, net, in the consolidated statements of operations and comprehensive loss for the B+L Note in the amount of $0.3 million and $0.5 million for the years ended December 31, 2024 and 2025, respectively. The fair value of the B+L Note as of December 31, 2024 and 2025 was $10.3 million and $10.8 million, respectively.

Biogen Note

In May 2025, the Company, in connection with the research collaboration and license agreement entered into with Biogen (Note 9), issued a convertible note (Biogen Note) to Biogen for cash proceeds of $30.0 million. The Biogen Note was issued at fair value. The Biogen Note bears interest at a rate of 8% per annum and matures on July 1, 2027, unless earlier converted into equity securities of the Company. The Company elected the fair value option to account for the Biogen Note. Accordingly, the Company recorded the Biogen Note at fair value upon issuance and at each reporting period until settlement, with changes in fair value recorded in the consolidated statements of operations and comprehensive loss.

The principal and accrued interest under the Biogen Note will automatically convert into shares of the Company's equity securities upon the earlier of (i) the initial closing of the Company's next qualified equity financing in which the Company raises at least $100.0 million of cash proceeds or (ii) the closing of the Company's IPO. In the case of a qualified equity financing, the Biogen Note will convert into shares of preferred stock issued in such financing. In the case of an IPO, the Biogen Note will convert

5. Convertible Notes (Continued)

into shares of common stock issued in such offering. If the Biogen Note remains outstanding as of June 30, 2027, the outstanding principal and accrued interest will automatically convert into shares of preferred stock of the Company's most recently completed equity financing. In each case, the number of shares issued upon conversion will equal the outstanding principal and accrued interest divided by a conversion price equal to 85% of the price paid per share by cash investors in the applicable financing.

The note purchase agreement contains customary events of default, such as failure to pay amounts when due, bankruptcy, and certain material adverse changes. Upon the occurrence of an event of default (and after any applicable cure periods), all outstanding amounts under the Biogen Note may be declared immediately due and payable.

For the year ended December 31, 2025, the Company recognized $1.5 million of interest expense related to the Biogen Note. The Company recognized a loss on change in fair value within total other income, net, in the consolidated statements of operations and comprehensive loss for the Biogen Note in the amount of $1.1 million for the year ended December 31, 2025. The loss on change in fair value primarily reflects the passage of time as the note accreted toward its expected conversion value, with a remaining estimated time to settlement of 1.25 years as of December 31, 2025. The fair value of the Biogen Note as of December 31, 2025 was $31.1 million.

6. Fair Value of Financial Instruments

The following tables present information about the Company's financial assets and liabilities that are measured at fair value on a recurring basis and indicate the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value (in thousands):

	Fair Value Measurements as of December 31, 2024:			
	Level 1	Level 2	Level 3	Total
Liabilities				
Convertible debt, net of discount	$ —	$ —	$10,276	$10,276
Total liabilities	$ —	$ —	$10,276	$10,276

	Fair Value Measurements as of December 31, 2025:			
	Level 1	Level 2	Level 3	Total
Liabilities				
Convertible debt, net of discount	$ —	$ —	$41,868	$41,868
Total liabilities	$ —	$ —	$41,868	$41,868

There have been no transfers between fair value levels during the years ended December 31, 2024 and 2025.

Convertible Notes

As further described in Note 5, the Company issued convertible notes to ARCH, a Company Founder and Bausch + Lomb in January, February and July 2024, respectively. The convertible note issued to Bausch + Lomb was in connection with a research collaboration and license agreement. In May 2025, the Company issued a convertible note to Biogen in connection with a research collaboration and license agreement. The Company elected the fair value option for each of the convertible note issuances. The fair value of each of the convertible notes was estimated using a scenario-based analysis that estimates the fair value based on the probability-weighted present value of expected future investment returns, considering each of the possible outcomes available to the noteholder.

CITY THERAPEUTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Fair Value of Financial Instruments (Continued)

The notes issued to ARCH and the Founder, as described in Note 5, were converted into Series A convertible preferred stock in April 2024. The notes issued to Bausch + Lomb and Biogen remain outstanding as of December 31, 2025.

The Company adjusts the carrying value of its convertible notes to their estimated fair value at each reporting date, with any related increases or decreases recorded as change in fair value of convertible notes within total other income, net, in the consolidated statement of operations and comprehensive loss.

For the year ended December 31, 2024, the Company recognized a net loss on change in fair value of convertible notes of $0.9 million in the consolidated statements of operations and comprehensive loss, consisting of a loss on change in fair value of the B+L Note of $0.3 million and a loss on change in fair value of the ARCH and Founder notes of $0.6 million. For the year ended December 31, 2025, the Company recognized a net loss on change in fair value of convertible notes of $1.6 million in the consolidated statements of operations and comprehensive loss, consisting of a loss on change in fair value of the Biogen Note of $1.1 million and a loss on change in fair value of the B+L Note of $0.5 million.

The following table summarizes information about the significant unobservable inputs used in the fair value measurements for the B+L Note and the Biogen Note as of December 31, 2024 and 2025, respectively:

	Fair value as of initial valuation date (in thousands)	Fair value as of period end (in thousands)	Expected settlement options (and relative weighting)	Key unobservable inputs	Range
B+L Note	$10,000	$10,276	Equity financing (95%)	Estimated time to settlement	0.5 years
				Discount rate	18.17%

	Fair value as of initial valuation date (in thousands)	Fair value as of period end (in thousands)	Expected settlement options (and relative weighting)	Key unobservable inputs	Range
B+L Note	$10,000	$10,805	Equity financing (95%)	Estimated time to settlement	0.42 years
				Discount rate	18.17%
Biogen Note	$30,000	$31,063	Equity financing (95%)	Estimated time to settlement	1.25 years
				Discount rate	14.39%

6. Fair Value of Financial Instruments (Continued)

The following table provides a reconciliation of all liabilities measured at fair value using Level 3 significant unobservable inputs (in thousands):

	Convertible Notes
Balance at January 1, 2024	$ —
Issuance of convertible notes on January 5, 2024	2,500
Issuance of convertible notes on February 15, 2024	2,500
Issuance of convertible note, net on July 8, 2024	9,973
Change in fair value of convertible notes	866
Non-cash conversion of convertible notes to Series A convertible preferred stock	(5,563)
Balance at December 31, 2024	$10,276
Issuance of convertible note, net on May 23, 2025	29,965
Amortization of issuance costs	21
Change in fair value of convertible notes	1,606
Balance at December 31, 2025	$41,868

During the years ended December 31, 2024 and 2025, there were no transfers between levels.

7. Leases

In December 2023, the Company entered into a lease of office and laboratory space at 399 Binney Street in Cambridge, Massachusetts, which became the Company's corporate headquarters. In June 2025, the Company entered into the First Amendment to Lease (the Amendment), which expanded the leased premises to include the entire second floor and a portion of the fourth floor, provided for the surrender of the original first floor and penthouse mechanical premises and extended the lease term through September 30, 2031. Following the Amendment, the Company's leased premises consist of approximately 51,726 rentable square feet. The lease is recorded in the accompanying consolidated balance sheets as an operating lease right-of-use asset and operating lease liability as of December 31, 2024 and 2025.

Under the terms of the Amendment, the lease term for the retained and substitute premises expires on September 30, 2031. The lease includes a renewal option which extends the term of the lease for an additional 36 months, however, it has been determined that it is not reasonably certain that the Company will exercise this option. The monthly rent payments under the lease, which include base rent charges of approximately $0.5 million per month, are subject to yearly rent increases of 3% through the end of the lease term. Base rent is fully abated during the months of December 2025, December 2026, and December 2027. The Company is responsible for paying a pro-rata share of costs incurred for common area maintenance, real estate taxes, and property insurance related to the leased space, which are considered variable lease payments and expensed as incurred. The total rent payments to be paid over the noncancelable term of this lease are $39.6 million.

7. Leases (Continued)

The elements of operating lease expense were as follows (in thousands):

	December 31,	
	2024	2025
Lease cost		
Operating lease cost	$3,356	$4,551
Variable lease cost	1,320	1,868
Total lease cost	$4,676	$6,419

Future lease payments under noncancelable leases that have commenced as of December 31, 2025 (in thousands):

Years ended December 31,	
2026	$ 5,122
2027	5,803
2028	6,520
2029	6,716
2030	6,918
2031	5,344
Total lease payments	36,423
Less: imputed interest	(11,007)
Total operating lease liabilities at December 31, 2025	$ 25,416
Current operating lease liabilities	$ 5,075
Non-current operating lease liabilities	20,341
Total	$ 25,416

As of December 31, 2024 and 2025, the Company's operating leases had a weighted-average incremental borrowing rate of 14.0% and a weighted-average remaining lease term of 4.2 years and 5.7 years, respectively.

8. Commitments and Contingencies

Litigation

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. From time to time, the Company may become involved in legal proceedings arising in the ordinary course of business. For the years ended December 31, 2024 and 2025, the Company had no matters for which a loss was considered probable or reasonably possible that would require accrual or disclosure under ASC 450, *Contingencies*.

Indemnification

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, or intends to

8. Commitments and Contingencies (Continued)

enter into, indemnification agreements with all members of the board of directors (Board) 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.

The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is not determinable. 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 that could 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 consolidated financial statements as of December 31, 2024 and 2025.

9. Significant Agreements

Ohio State Innovation Foundation License Agreement

On October 30, 2023, the Company entered into an exclusive license agreement (as amended, the OSIF License Agreement) with OSIF, pursuant to which the Company has been granted an exclusive, royalty-bearing license to certain patent rights to make, have made, use, sell, and import licensed products. As consideration, the Company issued 567,060 shares of common stock, which constituted 5% of the fully diluted capitalization of the Company as of the effective date of the agreement, valued at $0.1 million. On April 17, 2024, upon the closing of the Series A convertible preferred stock financing (Note 10), the Company issued an additional 29,522 shares, valued at $0.1 million, of common stock in accordance with certain anti-dilution provisions of the OSIF License Agreement, which allowed for OSIF to maintain its applicable pro rata ownership percentage until the Company had raised a specified amount of proceeds. The Company did not incur any material costs in connection with the issuance of the shares. The OSIF License Agreement has subsequently been amended to add additional patent rights and technology disclosures to the licensed intellectual property, and the Company reimbursed OSIF for patent prosecution costs associated with such additional patent rights.

Pursuant to the OSIF License Agreement, the Company is required to pay OSIF a total of up to $4.2 million upon achievement of certain clinical development, regulatory approval, and commercial sales milestones for each licensed product. The Company is also required to pay royalties to OSIF in the low-single digit percentage range based on net sales of any licensed products and processes, along with a specified minimum annual royalty amount for each licensed product, subject to customary reductions and offsets. In addition, the Company is responsible for certain patent costs incurred after the effective date and annual maintenance fees. The OSIF License Agreement also requires the Company to pay OSIF tiered percentages of certain non-royalty sublicense consideration, ranging from a low-twenties to mid-twenties percentage at earlier stages of development and a low-tens to mid-teens percentage at later stages of development, with the applicable percentage depending on the stage of development at which the sublicense is granted. In connection with the Biogen Research Collaboration and License Agreement (Note 9), during the year ended December 31, 2025, the Company paid OSIF $0.3 million in sublicensing fees related to the upfront payment received under the agreement with Biogen. No milestone payments or net sales-based royalties had become due to OSIF through December 31, 2025. No repurchase rights of common stock issued to OSIF existed as of December 31, 2024 or 2025.

Accounting Considerations

The Company determined that the OSIF License Agreement represented an asset acquisition of IPR&D assets with no alternative future use and recognized the aggregate acquisition cost as acquired in-process research and development expense in the consolidated statement of operations and comprehensive loss. The acquisition did not qualify as a business combination as the acquisition did

9. Significant Agreements (Continued)

not include both an input and substantive processes, including an assembled workforce, that together contribute to the ability to create outputs. No acquired in-process research and development expense was recognized in connection with the OSIF License Agreement during the years ended December 31, 2024 or 2025.

Bausch + Lomb Research Collaboration and License Agreement

On July 8, 2024, the Company entered into a research collaboration and license agreement (B+L Research Collaboration and License Agreement) with Bausch + Lomb, pursuant to which (i) the Company shall undertake a research program to discover certain licensed molecules which would enable Bausch + Lomb to develop, and subsequently commercialize, one or more licensed products in ocular disease and (ii) the Company granted Bausch + Lomb an option to obtain an exclusive, worldwide license to certain Company intellectual property to develop, manufacture and commercialize licensed molecules and licensed products in ocular diseases. Simultaneously with the Company's entry into the B+L Research Collaboration and License Agreement, the Company issued the B+L Note to Bausch + Lomb and Bausch + Lomb transferred to the Company $10.0 million in consideration (Note 5).

Pursuant to the B+L Research Collaboration and License Agreement, the Company will perform research and deliver to Bausch + Lomb a development candidate for which Bausch + Lomb may exercise their option to license. If Bausch + Lomb exercises its option, it will engage in the development, manufacturing and commercialization of licensed molecules and licensed products from the development candidate. Under the B+L Research Collaboration and License Agreement, the Company received a non-refundable upfront payment of $5.0 million from Bausch + Lomb. Over the course of the research plan, Bausch + Lomb is required to reimburse the Company for amounts incurred for full-time employees and other related costs and materials directly associated with the research plan. Additionally, the Company is eligible to receive a certain development candidate selection fee and certain other development, regulatory, commercial and sales milestones, collectively up to an aggregate of $485.0 million, along with tiered royalties ranging in the mid-single digits to low teens on net sales. If the agreement terminates and the Company later successfully commercializes a product candidate using the licensed intellectual property, the Company will owe a low-single digit royalty payment to Bausch + Lomb on future net sales for a fixed royalty term. As of December 31, 2025, no such milestone payments or royalties had become due to the Company.

Accounting Considerations

The Company assessed the B+L Research Collaboration and License Agreement and concluded that Bausch + Lomb is a customer in accordance with ASC 606. The Company identified the following promises under the contract: (i) obligation to perform research services, (ii) joint research committee participation, (iii) an option for Bausch + Lomb to obtain a license to develop, manufacture and commercialize licensed molecules and licensed products, and (iv) an option for Bausch + Lomb to request technology and Chemistry, Manufacturing, and Controls transfer services. The Company assessed the promised goods and services to determine if they are distinct performance obligations. The Company determined that the options for additional goods and services are not priced below their respective standalone selling prices, and therefore, are not material rights or performance obligations. The Company also determined that the obligation to perform research services and joint research committee participation are highly interrelated and interdependent and therefore not distinct. Accordingly, the obligation to perform research services and joint research committee participation represent one combined performance obligation, and the entire transaction price will be allocated to that single combined performance obligation.

At contract inception, the transaction price was determined to be $13.3 million, which represents the aggregate of the fixed consideration related to the upfront non-refundable payment for the B+L Research

9. Significant Agreements (Continued)

Collaboration and License Agreement and the estimated variable consideration related to cost reimbursements for the research plan. As of December 31, 2025, the Company updated its estimate of variable consideration, resulting in an increase in the total transaction price to approximately $15.0 million. The Company recognizes the transaction price as the single performance obligation is satisfied, using an input method which is based on the actual costs incurred relative to total costs expected to be incurred. The transfer of control occurs over this period and, in management's judgment, is the best measure of progress towards satisfying the performance obligation. Costs to perform the Company's obligations under the B+L Research Collaboration and License Agreement are recognized as research and development expenses in the period incurred.

Biogen Research Collaboration and License Agreement

On May 23, 2025, the Company entered into a research collaboration and license agreement (Biogen Research Collaboration and License Agreement) with Biogen, pursuant to which (i) the Company and Biogen shall collaborate to undertake a research plan to discover certain RNAi triggers that inhibit the expression of a target protein and conjugates of such RNAi triggers and (ii) the Company granted Biogen an exclusive, worldwide, royalty-bearing license to certain Company intellectual property to develop, manufacture and commercialize a certain licensed products in the field in the territory. Simultaneously with the Company's entry into the Biogen Research Collaboration and License Agreement, the Company issued the Biogen Note to Biogen and Biogen transferred to the Company $30.0 million in consideration (Note 5).

Pursuant to the Biogen Research Collaboration and License Agreement, the Company will perform research activities and deliver to Biogen data packages and technology transfers to enable Biogen to select and advance a development candidate, for which Biogen may exercise its rights under the license. If Biogen selects a development candidate, it will control the development, manufacturing and commercialization of licensed compounds and licensed products. Each party is responsible for its own research costs under the agreement. Biogen has the option of selecting one additional target during the option exercise period, subject to execution of a separate agreement and payment of a specified option exercise fee. Under the Biogen Research Collaboration and License Agreement, the Company received a $16.0 million upfront payment from Biogen. The Company is also eligible to receive an additional upfront payment contingent upon the satisfaction of certain conditions relating to the Company's upstream third-party intellectual property agreement. Additionally, the Company is eligible to receive up to an aggregate of approximately $1.0 billion in potential development, commercial, and sales milestones, along with tiered royalties ranging from the high-single digits to low teens on net sales. As of December 31, 2025, no such milestones or royalties had become due to the Company.

Accounting Considerations

The Company assessed the Biogen Research Collaboration and License Agreement and concluded that Biogen is a customer in accordance with ASC 606. The Company identified the following promises under the contract: (i) an exclusive license to develop, manufacture and commercialize licensed compounds and licensed products, (ii) an obligation to perform research activities under the research plan, (iii) joint research committee participation, (iv) technology transfer and assistance, and (v) an option for Biogen to select one additional target. The Company assessed the promised goods and services to determine if they are distinct performance obligations. The Company determined that the option for an additional target is not priced below its standalone selling price, and therefore is not a material right or performance obligation. The Company also determined that the license, obligation to perform research activities, joint research committee participation, and technology transfer and assistance are highly interrelated and interdependent and therefore not distinct. Accordingly, these promises represent one combined performance obligation, and the transaction price will be allocated to that single combined performance obligation.

9. Significant Agreements (Continued)

At contract inception, the transaction price was determined to be $16.0 million, which represents the non-refundable upfront payment under the Biogen Research Collaboration and License Agreement. The $4.0 million additional upfront payment, research milestones, development milestones, sales milestones, and royalties are variable consideration that is fully constrained at inception and therefore excluded from the initial transaction price. During the year ended December 31, 2025, one research milestone of $2.5 million became probable and was included in the transaction price, increasing the total transaction price to $18.5 million as of December 31, 2025. The Company recognizes the transaction price as the single performance obligation is satisfied, using an input method which is based on the actual costs incurred relative to total costs expected to be incurred. The transfer of control occurs over this period and, in management's judgment, is the best measure of progress towards satisfying the performance obligation. Costs to perform the Company's obligations under the Biogen Research Collaboration and License Agreement are recognized as research and development expenses in the period incurred.

Amounts recognized under the B+L Research Collaboration and License Agreement and Biogen Research Collaboration and License Agreement were as follows (in thousands):

	December 31,	
	2024	2025
Revenue recognized from B+L Research Collaboration and License Agreement (Ocular)	$2,778	$ 7,123
Revenue recognized from Biogen Research Collaboration and License Agreement (CNS)	—	6,439
Total Revenue	$2,778	$13,562
Amounts receivable under B+L Research Collaboration and License Agreement	$1,352	$ 1,209
Deferred revenue, current portion		
Deferred revenue – Bausch + Lomb, current portion	3,361	1,693
Deferred revenue – Biogen, current portion	—	9,562
Total Deferred Revenue, current portion	$3,361	$11,255
Deferred revenue, non-current portion		
Deferred revenue – Bausch + Lomb, noncurrent portion	$ 595	$ —
Deferred revenue – Biogen, noncurrent portion	—	—
Total Deferred Revenue, non-current portion	$ 595	$ —

The accounts receivable recorded as of December 31, 2024 and 2025 related to the reimbursable research and development efforts by the Company which were invoiced as incurred.

The following table summarizes the changes in deferred revenue related to the upfront non-refundable payments received as part of the B+L Research Collaboration and License Agreement and Biogen Research Collaboration and License Agreement (in thousands):

	December 31,	
	2024	2025
Beginning balance	$ —	$ 3,956
Additions	5,000	16,000
Deductions	(1,044)	(8,701)
Ending balance	$ 3,956	$11,255

9. Significant Agreements (Continued)

The Company recognizes the following revenues from amounts included in deferred revenue as of the beginning of the period (in thousands):

	December 31,	
	2024	2025
Amounts included in deferred revenue as of the beginning of the period	$—	$2,078

10. Convertible Preferred Stock

Series Seed Convertible Preferred Stock

Beginning in September 2023 and in multiple closings through March 2024, the Company issued shares of its Series Seed convertible preferred stock pursuant to a Series Seed Convertible Preferred Stock Purchase Agreement (Series Seed Agreement) with certain investors. Pursuant to the Series Seed Agreement, the Company issued a total of 4,544,990 shares of Series Seed convertible preferred stock at a purchase price of $1.00 per share for gross proceeds of $4.5 million across multiple closings. The Company incurred $0.1 million in issuance costs associated with the Series Seed convertible preferred stock financing.

Series A Convertible Preferred Stock

Beginning in April 2024 and closing in multiple closings through December 2024, the Company issued shares of its Series A convertible preferred stock pursuant to the Series A Agreement with certain investors. Pursuant to the Series A Agreement, the Company issued an aggregate of 13,996,318 shares of Series A convertible preferred stock. Of the 13,996,318 shares issued, 13,435,354 shares were issued at a price per share of $10.0295 for aggregate gross proceeds of $134.7 million. Additionally, the Company's outstanding convertible notes and related accrued interest, at the time of the Series A Agreement, totaling $5.1 million, converted into 560,964 shares of Series A convertible preferred stock at a price per share of $9.02655, as further described in Note 5.

The Company's convertible preferred stock is summarized below (in thousands, except share amounts):

	As of December 31, 2024				
	Total Shares Authorized	Total Shares Issued and Outstanding	Common Shares Issuable upon Conversion	Carrying Value	Liquidation Preference
Series Seed convertible preferred stock	4,544,990	4,544,990	4,544,990	$ 4,475	$ 4,545
Series A convertible preferred stock	14,295,436	13,996,318	13,996,318	140,039	140,376
Total	18,840,426	18,541,308	18,541,308	$144,514	$144,921

10. Convertible Preferred Stock (Continued)

	As of December 31, 2025				
	Total Shares Authorized	Total Shares Issued and Outstanding	Common Shares Issuable upon Conversion	Carrying Value	Liquidation Preference
Series Seed convertible preferred stock	4,544,990	4,544,990	4,544,990	$ 4,475	$ 4,545
Series A convertible preferred stock	14,295,436	13,996,318	13,996,318	140,039	140,376
Total	18,840,426	18,541,308	18,541,308	$144,514	$144,921

The holders of the Series A and Series Seed convertible preferred stock have the following rights, preferences and privileges:

Conversion

All series of convertible preferred stock are convertible at any time at the option of the holder and mandatorily convertible upon a) a firm-commitment underwritten qualified initial public offering resulting in at least $75.0 million of gross proceeds to the Company (Qualified IPO) or b) the vote or written consent of holders of at least 56% of the outstanding shares of convertible preferred stock (Requisite Holders) into common stock on a one-to-one basis. The Series A convertible preferred stock conversion price initially is equal to $10.0295, and the Series Seed convertible preferred stock conversion price initially is equal to $1.00, each subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization and other adjustments, including adjustment if common stock is issued for less than the original issue price of each series of convertible preferred stock (subject to certain exceptions, including shares of common stock in a Qualified IPO).

Voting

The holder of each share of Series Seed and Series A convertible preferred stock is entitled to one vote for each share of common stock into which such shares of Series Seed and Series A convertible preferred stock could then be converted and votes together with the holders of common stock as a single class, on an as-converted to common stock basis.

Redemption

The holders of Series Seed and Series A convertible preferred stock do not have any redemption rights, except for the contingent redemption upon the occurrence of a Deemed Liquidation Event (as defined below).

Liquidation

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, or upon the occurrence of a Deemed Liquidation Event (as defined below), the holders of the Series Seed and Series A convertible preferred stock are entitled to receive an amount per share equal to the greater of (i) the respective original issuance price, plus any dividends declared but unpaid or (ii) the amount payable with respect to such share if it was converted to common stock immediately prior to such liquidation, dissolution, winding up or Deemed Liquidation Event (as defined below). Liquidation payments to the holders of the Series Seed and Series A convertible preferred stock have priority and are made in preference to any payments to the holders of common stock. After full payment of the liquidation preference to the holders of the Series Seed and Series A convertible preferred stock, the

10. Convertible Preferred Stock (Continued)

remaining assets, if any, will be distributed to the holders of shares of common stock, pro rata based on the number of shares held by each holder. Unless the Requisite Holders, elect otherwise, a "*Deemed Liquidation Event*" shall include a merger, consolidation, or share exchange (other than one in which stockholders of the Company own a majority by voting power of the outstanding shares of the surviving or acquiring corporation) or a sale, lease, transfer, exclusive license or other disposition of all or substantially all of the assets of the Company taken as a whole or the sale or disposition of one or more subsidiaries if substantially all of the assets of the Company and its subsidiaries are held by such subsidiary or subsidiaries.

Dividends

The Company shall not declare, pay or set aside any dividends on shares of any class of capital stock of the Company unless the holders of the Series A and Series Seed convertible preferred stock shall first receive, or simultaneously receive, a noncumulative dividend on each outstanding share of the Series A and Series Seed convertible preferred stock equal to 8% of the original issue prices. No such dividends have been declared or paid through December 31, 2025.

11. Common Stock

The Company was authorized to issue 30,000,000 shares of $0.0001 par value common stock as of December 31, 2024 and 2025, respectively.

On April 1, 2024, the Company issued 29,522 shares of common stock to OSIF in conjunction with the OSIF License Agreement (see Note 9). The OSIF common stock was fully vested at the time of issuance.

Features of the Common Stock

The common stock has a par value of $0.0001, and the holders of common stock are entitled to one vote for each share of common stock held at all meetings of stockholders and written actions in lieu of meetings provided. All dividends shall be declared and paid pro rata according to the number of shares held by each stockholder. In the event of a liquidation, dissolution, or winding up of the Company, the common stock ranks behind the preferred stock.

Common stock reserved for future issuance consists of the following:

	As of December 31,	
	2024	2025
Series Seed convertible preferred stock	4,544,990	4,544,990
Series A convertible preferred stock	13,996,318	13,996,318
Unvested restricted stock	1,839,584	1,895,344
Stock options issued and outstanding	4,068,417	4,341,602
Shares available for issuance under the Plan	502,749	568,697
Total	24,952,058	25,346,951

12. Stock-based Compensation

2023 Stock Plan

The 2023 Plan was originally adopted with 1,035,000 shares of common stock reserved for issuance. The Board subsequently increased the number of shares reserved under the 2023 Plan at various times during 2024 and 2025. As of December 31, 2024 and 2025, the Company had reserved 4,571,166 and 4,910,299 shares of common stock for issuance under the 2023 Plan, respectively.

12. Stock-based Compensation (Continued)

The 2023 Plan authorizes the Board or a committee of the Board to grant incentive stock options, nonqualified stock options, and restricted stock awards to eligible employees, directors, and non-employee consultants of the Company. The terms of stock awards agreements, including vesting requirements, are determined by the Board and are subject to the provisions of the 2023 Plan. The stock options granted to employees follow various vesting periods ranging from immediate to four-year vesting and have a term of up to ten years from the date of grant.

As of December 31, 2025, the Company has 568,697 shares of common stock reserved for future issuance under the 2023 Plan. There are no additional shares of common stock available for future issuance outside the common stock reserved under the 2023 Plan.

Stock Option Valuation

The Company estimates the fair value of stock options using the Black-Scholes option-pricing model. This model incorporates various assumptions, including the expected volatility, expected term, and interest rates.

The following table presents, on a weighted-average basis, the assumptions used in the Black-Scholes option-pricing model to determine the fair value of stock options granted during 2024 and 2025:

	Years ended December 31,	
	2024	2025
Risk-free interest rate	3.55% – 4.47%	3.67% – 4.22%
Dividend yield	0%	0%
Expected term of options (years) range	5.00 – 6.08	5.27 – 6.08
Volatility rate range	67.68% – 69.21%	87.73% – 111.06%

The weighted-average grant-date fair value of stock options granted during the years ended December 31, 2024 and 2025 was $3.41 and $2.05 per share, respectively.

Time-Based Stock Options

The following table summarizes the Company's time-based stock option activity for the year ended December 31, 2025:

	Number of Outstanding Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Balance at December 31, 2024	2,871,145	$0.90	9.67	$9,508
Granted	1,029,299	1.80	—	—
Exercised	(816,604)	0.77	—	—
Cancelled	(10,000)	2.01	—	—
Forfeited	(7,367)	1.00	—	—
Balance at December 31, 2025	3,066,473	$1.23	8.98	$2,383
Vested and expected to vest as of December 31, 2025	3,066,473	$1.23	8.98	$2,383
Vested and exercisable at December 31, 2025	771,780	$0.72	8.58	$1,350

12. Stock-based Compensation (Continued)

As of December 31, 2025, there was $6.4 million of total unrecognized compensation cost related to time-based unvested stock options, and the Company expects to recognize such amount over a remaining weighted-average period of 2.9 years.

Performance-Based Stock Options

The Company has granted stock options to certain employees to purchase shares of common stock that contain performance-based vesting criteria related to corporate or scientific milestones. The fair value of each option grant with performance-based vesting was estimated on the date of grant. Recognition of stock-based compensation expense associated with these performance-based stock options commences when the performance condition is considered probable of achievement, using management's best estimates, which consider the inherent risk and uncertainty regarding the future outcomes of the milestones. As of December 31, 2025, no stock-based compensation expense has been recognized for performance-based stock options as the achievement of the underlying performance conditions was not considered probable.

The following table summarizes the Company's performance-based stock option activity for the year ended December 31, 2025:

	Number of Outstanding Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Balance at December 31, 2024	1,197,272	$0.93	9.73	$3,929
Granted	422,120	1.70		
Exercised	(344,263)	0.77		
Balance at December 31, 2025	1,275,129	$1.23	9.02	$1,000
Vested and exercisable at December 31, 2025	—	$ —	—	$ —

As of December 31, 2025, there was $4.1 million of total unrecognized compensation cost related to performance-based unvested stock options, and the Company expects to recognize such amount when the achievement of the underlying performance conditions become probable.

Restricted Common Stock Awards

The Company awarded restricted common stock to employees and non-employees under its 2023 Plan and may continue to award restricted common stock to employees and non-employees under the 2023 Plan. Additionally, employees who exercise their option awards prior to the vesting of that award hold common stock that is subject to further time or performance based vesting conditions and therefore classified as restricted stock for accounting purposes. The fair value of each share of restricted common stock is based on the market price of the Company's common stock on the date of grant.

Time-Based Restricted Common Stock Awards

Restricted common stock that have time-based vesting conditions vest over a four-year period, subject to the employee's continued employment with, or service to, the Company on each vesting date. Compensation expense is recognized on a straight-line basis over the vesting period.

12. Stock-based Compensation (Continued)

The following table summarizes the Company's time-based restricted common stock award activity for the year ended December 31, 2025:

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested restricted common stock at December 31, 2024	1,839,584	$0.11
Issued	703,405	3.59
Vested	(991,908)	1.21
Unvested restricted common stock at December 31, 2025	1,551,081	$1.12

As of December 31, 2025, there was $1.3 million of total unrecognized compensation cost related to time-based restricted common stock, and the Company expects to recognize such amount over a remaining weighted-average period of 2.3 years.

Performance-Based Restricted Common Stock Awards

Restricted common stock that have performance-based vesting conditions vest when certain milestones are achieved and approved by the Board, subject to the employee's continued employment with, or service to, the Company on each vesting date. Compensation expense is recognized upon the achievement of the certain milestones.

The following table summarizes the Company's performance-based restricted common stock award activity for the year ended December 31, 2025:

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested restricted common stock at December 31, 2024	—	$ —
Issued	344,263	4.00
Unvested restricted common stock at December 31, 2025	344,263	$4.00

As of December 31, 2025, there was $1.1 million of total unrecognized compensation cost related to performance-based restricted common stock, and the Company expects to recognize such amount when the achievement of the underlying performance conditions become probable.

Stock-Based Compensation

The following table below summarizes the classification of the Company's stock-based compensation expense related to stock options and restricted common stock awards in the consolidated statements of operations and comprehensive loss (in thousands):

	Years ended December 31,	
	2024	2025
Research and development	$ 445	$ 955
General and administrative	560	2,042
Total stock-based compensation expense	$1,005	$2,997

13. 401(k) Plan

The Company has a defined-contribution savings plan under Section 401(k) of the IRC (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 pretax basis. The Company will make a contribution of 4% of each employee's annual compensation up to annual safe harbor limits. The Company has expensed $0.1 million and $0.4 million in 401(k) contributions for the years ended December 31, 2024 and 2025, respectively.

14. Income Taxes

For the years ended December 31, 2024 and 2025, the Company did not recognize any current or deferred income tax provision or benefit and is in a full valuation allowance. The Company did not make any federal, state, local or foreign income tax payments, net of refunds received, during the years ended December 31, 2024 and 2025.

The components of the Company's loss before income taxes are as follows (in thousands):

	Years ended December 31,	
	2024	2025
U.S. Domestic	$(27,836)	$(58,505)
Foreign	—	—
Pretax loss from operations	$(27,836)	$(58,505)

A reconciliation of income tax expense computed at the statutory corporate income tax rate to the effective income tax rate after the adoption of ASU 2023-09 for the years ended December 31, 2024 and 2025 is as follows (in thousands):

	Year Ended December 31, 2024		Year Ended December 31, 2025	
	Amount	Percent	Amount	Percent
U.S. federal statutory tax rate	$(5,845)	21.0%	$(12,286)	21.0%
Tax credits				
Research and development tax credits	(798)	2.9	(1,221)	2.1
Changes in valuation allowances	6,154	(22.1)	12,295	(21.0)
Nontaxable or nondeductible items	489	(1.8)	1,222	(2.1)
Other reconciling items	—	0.0	(10)	0.0
Income tax expense and effective tax rate	$ —	0.0%	$ —	0.0%

The effective income tax rate differs from the U.S. federal statutory rate of 21.0% primarily due to the valuation allowance maintained against the Company's net deferred tax assets.

14. Income Taxes (Continued)

The significant components of the Company's deferred tax assets and liabilities as of December 31, 2024 and 2025 are comprised of the following (in thousands):

	Years ended December 31,	
	2024	2025
Deferred tax assets:		
Net operating loss carryforwards	$ 797	$ 13,001
Tax credit carryforwards	1,118	2,987
Operating lease liability	3,253	6,944
Deferred revenue	—	463
Amortization – start up costs	65	61
Capitalized research and development costs	6,437	7,964
Accrued expenses and other	274	1,101
Total deferred tax assets	11,944	32,521
Valuation allowance	(8,733)	(25,240)
Net deferred tax assets	3,211	7,281
Deferred tax liabilities:		
Operating lease right-of-use asset	(2,846)	(6,791)
Depreciation	(365)	(490)
Total deferred tax liabilities	(3,211)	(7,281)
Net deferred tax assets	$ —	$ —

The Company has evaluated the positive and negative evidence bearing upon its ability to realize its deferred tax assets. Management has considered the Company's history of cumulative net losses, estimated future taxable income, and prudent and feasible tax planning strategies and has concluded that it is more likely than not that the Company will not realize the benefits of its net deferred tax assets. Accordingly, a full valuation allowance has been established against these net deferred tax assets as of December 31, 2024 and 2025. The Company's valuation allowance increased by approximately $16.5 million during the year ended December 31, 2025, primarily due to the increase in net operating loss carryforwards and capitalization of research and experimental expenditures.

The Company's change in its valuation allowance account with respect to deferred tax assets is as follows (in thousands):

	Year ended December 31,	
	2024	2025
Beginning Balance	$ 721	$ 8,733
Additions	8,012	16,507
Reductions	—	—
Ending Balance	$8,733	$25,240

As of December 31, 2024 and 2025, the Company had U.S. federal net operating loss (NOL) carryforwards of approximately $3.1 million and $47.1 million, respectively, which do not expire and may be available to offset future U.S. federal taxable income. U.S. federal NOL carryforwards generated after 2017 can be carried over indefinitely but will generally limit the NOL deduction to the lesser of the

14. Income Taxes (Continued)

NOL carryover or 80% of a corporation's taxable income, as required under Section 172 of the Internal Revenue Code (IRC).

As of December 31, 2024 and 2025, the Company also had U.S. state NOL carryforwards of approximately $2.5 million and $49.2 million, respectively, which expire at various dates through 2045 and may be available to offset future U.S. state taxable income.

As of December 31, 2024 and 2025, the Company had U.S. federal research and development (R&D) tax credit carryforwards of approximately $0.8 million and $2.0 million, respectively, which expire at various dates through 2045 and may be available to offset future U.S. federal income tax liabilities.

As of December 31, 2024 and 2025, the Company had U.S. state R&D tax credit carryforwards of approximately $0.4 million and $1.2 million, respectively, which expire at various dates through 2040 and may be available to reduce future U.S. state income tax liabilities.

Under the provisions of the IRC, the NOL and tax credit carryforwards are subject to review and possible adjustment by the Internal Revenue Service and state tax authorities. Utilization of U.S. federal and state NOL and tax credit carryforwards may be subject to a substantial annual limitation under Section 382 and Section 383 of the IRC, 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 U.S. federal and state NOL and tax credit carryforwards that can be utilized annually to offset future taxable income and tax liabilities, respectively. The Company has not yet conducted a comprehensive study to assess whether any changes of ownership have occurred since its formation. Any limitation may result in expiration of a portion of the U.S. federal and state NOL carryforward or tax credit carryforwards before utilization, which would be offset by a change in the Company's valuation allowance.

The Company has not yet conducted an R&D tax credit study. Such a study, once undertaken by the Company, may result in an adjustment to the R&D tax credit carryforwards. A full valuation allowance has been provided against the Company's R&D tax credits and, if an adjustment is required, this adjustment would be offset by an adjustment to the valuation allowance. Thus, there would be no impact to the consolidated balance sheets or consolidated statements of operations and comprehensive loss if an adjustment is required.

The Company does not have any unrecognized tax benefit and therefore, no amounts are reflected in the determination of the Company's deferred tax assets. If there were unrecognized tax benefits to be recognized, none of these amounts would affect the Company's effective tax rate, since it would be offset by an equal corresponding adjustment in the deferred tax asset valuation allowance. The Company assesses the uncertainty in its income tax positions to determine whether a tax position of the Company is more likely than not to be sustained upon examination, including resolution of any related appeals of litigation processes, based on the technical merits of the position. For tax positions meeting the more-likely-than-not threshold, the tax amount recognized in the financial statements is reduced by the largest benefit that has a greater than 50% likelihood of being realized upon the ultimate settlement with the relevant taxing authority. The Company will recognize interest and/or penalties related to uncertain tax benefits in income tax expense as they arise. As of December 31, 2024 and 2025, the Company had no reserves for uncertain tax benefits or related interest or penalties.

The Company files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In a normal course of business, the Company is subject to examination by U.S. federal and state as well as foreign jurisdictions, where applicable. The Company's tax years are still open since inception. To the extent that the Company has tax attribute carryforwards, the tax year in which the attributes were generated may still be adjusted upon examination by the U.S. Internal Revenue Service or state tax authorities to the extent utilized in a future period. The Company is not currently under examination by any tax authorities.

14. Income Taxes (Continued)

On July 4, 2025, the U.S. government enacted The One Big Beautiful Bill Act of 2025 (OBBBA) which includes, among other provisions, changes to the U.S. corporate income tax system. In accordance with ASC 740, the Company recognized the effects of the new tax law in the period that includes the enactment date. While OBBBA did not have a material impact on the Company's consolidated financial statements as of and for the years ended December 31, 2024 and 2025, the Company will continue to assess the changes. However, the Company does not expect such changes will have a material effect on its consolidated financial statements in future periods.

15. Segments

The Company's operations are all in the United States. The Company operates and manages its business as a single operating and reportable segment. Factors considered in determining operating and reportable segments include the organization of the business, the nature of technology and the information reviewed by the Company's CODM. The Company's CODM is our CEO.

Operating segments are defined as components of an enterprise for which discrete financial information is available and is evaluated regularly by the CODM on a consolidated basis, in deciding how to allocate resources and assess performance. The Company's revenues are derived from research collaboration and license agreements, which are further described in Note 9 — Significant Agreements. Consolidated net loss is used by the CODM to make key operating decisions, such as the determination of the rate at which the Company seeks to grow its research and development initiatives and the allocation of capital between research and development and general and administrative expenses. The CODM does not receive asset information other than what is presented on the consolidated balance sheets.

The following table presents financial information, including significant segment expenses, which are regularly provided to the CODM and included within consolidated net loss (in thousands):

	Years Ended December 31,	
	2024	2025
Collaboration revenue:		
Ocular (Bausch + Lomb)	$ 2,778	$ 7,123
CNS (Biogen)	—	6,439
Total collaboration revenue	2,778	13,562
Research and development expenses:		
CITY-FXI	5,694	12,161
CITY-RBP4	2,981	7,109
CITY-TFR2	1,104	2,985
Ocular	919	2,563
CNS	240	2,711
Personnel-related research and development expenses (including stock-based compensation expense of $445 and $955 for 2024 and 2025, respectively)	5,383	11,453
Other indirect research and development expenses[(1)]	9,361	19,438
Total research and development expenses	25,682	58,420
General and administrative expenses:		
Personnel-related expenses (including stock-based compensation expense of $560 and $2,042 for 2024 and 2025, respectively)	1,757	5,949

15. Segments (Continued)

	Years Ended December 31,	
	2024	2025
Other general and administrative expenses[2]	4,429	9,115
Total general and administrative expenses	6,186	15,064
Other segment items, net[3]	1,254	1,417
Net loss and comprehensive loss	$(27,836)	$(58,505)

(1) Other indirect research and development expenses consist of platform research costs, and laboratory supplies, equipment, facility-related expenses and other general research costs that are not specifically attributable to an individual research program.

(2) Other general and administrative expenses consist of professional fees, facilities, depreciation, information technology and other general and administrative costs that are not personnel-related.

(3) Other segment items, net consists of interest income, interest expense and other expense, net.

16. Net Loss Per Share

Under the two-class method, basic net loss per share is calculated by dividing the net loss attributable to common stockholders by the weighted average number of shares of common stock outstanding during the period, without consideration for potentially dilutive securities. The net loss available to common stockholders was not allocated to the convertible preferred stock as the holders did not have a contractual obligation to share in losses. Diluted net loss per share is the same as basic net loss per share for the years presented since the effects of any potentially dilutive securities, would be antidilutive given the net loss of the Company.

	Years Ended December 31,	
	2024	2025
Numerator:		
Net loss attributable to common stockholders – basic and diluted	$ (27,836)	$ (58,505)
Denominator:		
Weighted-average common shares outstanding – basic and diluted	3,403,747	4,696,166
Net loss per common share – basic and diluted	$ (8.18)	$ (12.46)

For accounting purposes, the computation of basic and diluted weighted-average common shares outstanding for the years ended December 31, 2024 and 2025, excludes all shares of unvested restricted common stock as such shares are not considered outstanding. See Note 12 — Stock-Based Compensation, for more information.

The following outstanding potentially dilutive securities have been excluded from the calculation of diluted net loss per share attributable to common stockholders, as their effect is antidilutive:

	Years ended December 31,	
	2024	2025
Series Seed convertible preferred stock (as-converted basis)	4,544,990	4,544,990
Series A convertible preferred stock (as-converted basis)	13,996,318	13,996,318
Unvested restricted stock	1,839,584	1,895,344
Stock options issued and outstanding	4,068,417	4,341,602
Total	24,449,309	24,778,254

16. Net Loss Per Share (Continued)

The potentially dilutive securities related to the Biogen Note and B+L Note were excluded from the table above for the years ended December 31, 2024 and 2025, as applicable, as the number of shares that would be issuable upon conversion was indeterminable. See Note 5 — Convertible Notes, for more information.

17. Related Party Transactions

Alexandria Real Estate Equities, Inc.

For the years ended December 31, 2024 and 2025, the Company paid $4.2 million and $6.2 million, respectively, in rent and facility-related fees to a subsidiary of Alexandria Real Estate Equities, Inc., a related party, in connection with leasing its headquarters at 399 Binney Street (see Note 7). No payments were made to Alexandria Venture Investments, LLC, an investor in the Company, holding shares of Series A convertible preferred stock as of December 31, 2024 and 2025.

Company Founder Consulting Agreement & Convertible Note

During the years ended December 31, 2024 and 2025, the Company made payments of $0.2 million and $0.2 million, respectively, to a Founder, who is a member of the Company's Board, for consulting services.

In September 2023, in connection with the Series Seed convertible preferred stock closing, the Company issued and sold 500,000 shares of Series Seed convertible preferred stock to the Founder for an aggregate purchase price of $0.5 million.

In January and February 2024, the Company issued convertible notes with an aggregate principal amount of $0.5 million to the Founder, who is a member of the Company's Board (see Note 5). The convertible notes converted into 56,095 shares of Series A convertible preferred stock in connection with the closing, at a discounted conversion price of $9.02655 per share. This price reflects a 10% discount to the $10.0295 per share purchase price paid by new investors in the Series A financing.

ARCH Venture Fund XII L.P.

In January and February 2024, the Company issued convertible notes with an aggregate principal amount of $4.5 million to ARCH, an investor in the Company's convertible preferred stock financings (see Note 5). The convertible notes converted into 504,869 shares of Series A convertible preferred stock in connection with the closing, at a discounted conversion price of $9.02655 per share. This price reflects a 10% discount to the $10.0295 per share purchase price paid by new investors in the Series A convertible preferred stock financing.

18. Subsequent Events

The Company has evaluated subsequent events from the balance sheet date through July 14, 2026, the date at which the consolidated financial statements were available to be issued and determined there are no events subject to additional disclosure, other than those disclosed below.

Option Grants

During the period from January 2026 through July 2026, the Company granted an aggregate of 2,644,562 stock options to employees, directors, and non-employee consultants under the 2023 Plan with exercise prices ranging from $2.01 to $8.66. The Company also granted an aggregate of 100,000 shares of restricted common stock to non-employee consultants under the 2023 Plan. The Company is evaluating the accounting impact of these grants.

18. Subsequent Events (Continued)

Performance-Based Stock Options Milestone Achievement

In January 2026, the Company determined that the achievement of a scientific milestone was probable, triggering the vesting condition on certain performance-based stock options. As a result, the Company recognized $3.4 million of stock-based compensation expense related to the vesting of 975,194 stock options.

Amendment to 2023 Plan

During January 2026, May 2026 and June 2026, the Board amended the 2023 Plan to increase the number of shares reserved under the 2023 Plan to 7,271,166, 7,771,166, and 9,121,166, respectively.

Series B Convertible Preferred Stock Financing

Beginning in May 2026 and in multiple closings through June 2026, the Company issued shares of its Series B convertible preferred stock pursuant to a Series B Convertible Preferred Stock Purchase Agreement (Series B Agreement) with certain investors. Pursuant to the Series B Agreement, the Company issued an aggregate of 7,725,348 shares of Series B convertible preferred stock. Of the 7,725,348 shares issued, 6,801,318 shares were issued at a price per share of $14.6295 for aggregate gross proceeds of $99.5 million. Additionally, the Company's outstanding B+L Note and related accrued interest, at the time of the Series B Agreement, totaling $11.5 million, converted into 924,030 shares of Series B convertible preferred stock at a price per share of $12.4351.

The Company is continuing to evaluate the accounting impact of the Series B convertible preferred financing, including the conversion of the outstanding convertible note, and will reflect the completed accounting impact in its financial statements for the period ended June 30, 2026.

CITY THERAPEUTICS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(UNAUDITED, IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	December 31, 2025	June 30, 2026
Assets		
Current assets		
Cash and cash equivalents	$ 112,793	$ 169,605
Accounts receivable	1,209	5,119
Prepaid expenses and other current assets	2,871	964
Total current assets	116,873	175,688
Property and equipment, net	5,489	6,169
Operating lease right-of-use asset	24,857	23,321
Restricted cash	2,504	2,504
Deferred offering costs	—	895
Other non-current assets	45	34
Total assets	$ 149,768	$ 208,611
Liabilities, convertible preferred stock and stockholders' deficit		
Current liabilities		
Accounts payable	$ 2,695	$ 5,105
Convertible notes, current	10,805	33,089
Operating lease liability, current	5,075	5,126
Deferred revenue, current	11,255	10,791
Accrued interest	2,642	2,647
Accrued expenses and other current liabilities	5,570	7,999
Total current liabilities	38,042	64,757
Operating lease liability, non-current	20,341	18,822
Convertible notes, non-current, net	31,063	—
Other liabilities, non-current	463	693
Total liabilities	89,909	84,272
Commitments and contingencies (Note 8)		
Series Seed convertible preferred stock, $0.0001 par value; 4,544,990 and 4,544,990 shares authorized as of December 31, 2025 and June 30, 2026; 4,544,990 and 4,544,990 shares issued and outstanding as of December 31, 2025 and June 30, 2026; aggregate liquidation preference of $4,545 and $4,545 as of December 31, 2025 and June 30, 2026	4,475	4,475
Series A convertible preferred stock, $0.0001 par value; 14,295,436 and 13,996,318 shares authorized as of December 31, 2025 and June 30 2026; 13,996,318 and 13,996,318 shares issued and outstanding as of December 31, 2025 and June 30, 2026; aggregate liquidation preference of $140,376 and $140,376 as of December 31, 2025 and June 30, 2026	140,039	140,039
Series B and B-1 convertible preferred stock, $0.0001 par value; no shares authorized, issued, or outstanding as of December 31, 2025; 7,725,348 shares authorized, issued, and outstanding as of June 30, 2026; aggregate liquidation preference of $0 and $110,990 as of December 31, 2025 and June 30, 2026	—	111,542
Stockholders' deficit:		
Common stock, $0.0001 par value; 30,000,000 and 42,350,000 shares authorized as of December 31, 2025 and June 30, 2026; 7,076,593 and 8,765,998 shares issued as of December 31, 2025 and June 30, 2026; 5,181,249 and 6,977,392 shares outstanding as of December 31, 2025 and June 30, 2026	—	—
Additional paid-in capital	4,449	10,830
Accumulated deficit	(89,104)	(142,547)
Total stockholders' deficit	(84,655)	(131,717)
Total liabilities, convertible preferred stock and stockholders' deficit	$ 149,768	$ 208,611

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

CITY THERAPEUTICS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(UNAUDITED, IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	Six months ended June 30,	
	2025	2026
Collaboration revenue	$ 5,578	$ 6,358
Operating expenses:		
Research and development[1]	24,375	46,319
General and administrative[2]	7,796	11,170
Total operating expenses	32,171	57,489
Loss from operations	(26,593)	(51,131)
Other income (expense):		
Interest income	2,064	1,595
Interest expense	(646)	(1,496)
Other income (expense), net	893	(2,411)
Total other income (expense), net	2,311	(2,312)
Net loss and comprehensive loss	$ (24,282)	$ (53,443)
Net loss per share, basic and diluted	$ (5.52)	$ (8.27)
Weighted-average common shares outstanding, basic and diluted	4,400,329	6,461,444

(1) Includes related party amounts of $1.7 million and $3.8 million for research and development expenses for the six months ended June 30, 2025 and 2026, respectively. See Note 17 — Related Parties.

(2) Includes related party amounts of $0.6 million and $0.7 million for general and administrative expenses for the six months ended June 30, 2025 and 2026, respectively. See Note 17 — Related Parties.

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

CITY THERAPEUTICS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT

(UNAUDITED, IN THOUSANDS, EXCEPT SHARE AMOUNTS)

	Series Seed Convertible Preferred Stock		Series A Convertible Preferred Stock		Series B and B-1 Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance as of January 1, 2025	4,544,990	$4,475	13,996,318	$140,039	—	$ —	4,076,142	$ —	$1,174	$(30,599)	$(29,425)
Issuance of common stock from exercised options	—	—	—	—	—	—	265,944	—	184	—	184
Vesting of restricted common stock	—	—	—	—	—	—	385,437	—	—	—	—
Stock-based compensation expense	—	—	—	—		—	—	—	1,497	—	1,497
Net loss	—	—	—	—	—	—	—	—	—	(24,282)	(24,282)
Balance as of June 30, 2025	4,544,990	$4,475	13,996,318	$140,039	—	$ —	4,727,523	$ —	$2,855	$(54,881)	$(52,026)

	Series Seed Convertible Preferred Stock		Series A Convertible Preferred Stock		Series B and B-1 Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance as of January 1, 2026	4,544,990	$4,475	13,996,318	$140,039	—	$ —	5,181,249	$ —	$ 4,449	$ (89,104)	$ (84,655)
Issuance of Series B convertible preferred stock, net of issuance costs of $618	—	—	—	—	6,801,318	98,882	—	—	—	—	—
Conversion of convertible debt to Series B-1 convertible preferred stock	—	—	—	—	924,030	12,660	—	—	—	—	—
Issuance of common stock from exercised options	—	—	—	—	—	—	1,460,604	—	1,464	—	1,464
Vesting of restricted common stock	—	—	—	—	—	—	335,539	—	—	—	—
Stock-based compensation expense	—	—	—	—	—	—	—	—	4,917	—	4,917
Net loss	—	—	—	—	—	—	—	—	—	(53,443)	(53,443)
Balance as of June 30, 2026	4,544,990	$4,475	13,996,318	$140,039	7,725,348	$111,542	6,977,392	$ —	$10,830	$(142,547)	$(131,717)

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

CITY THERAPEUTICS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED, IN THOUSANDS)

	Six months ended June 30,	
	2025	**2026**
Cash flows from operating activities		
Net loss	$ (24,282)	$ (53,443)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation	511	802
Stock-based compensation	1,497	4,917
Non-cash interest expense	646	1,496
Gain on lease modification	(1,024)	—
Change in fair value of convertible notes	139	2,366
Convertible note discount amortization	7	24
Changes in operating assets and liabilities:		
Accounts receivable	(313)	(3,910)
Prepaid expenses and other current assets	(29)	1,915
Accounts payable, accrued expenses and other current liabilities	3,440	3,061
Deferred revenue	12,649	(464)
Other assets	(11)	11
Operating lease liabilities	(328)	67
Net cash used in operating activities	(7,098)	(43,158)
Cash flows from investing activities		
Purchases of property and equipment	(352)	(1,022)
Net cash used in investing activities	(352)	(1,022)
Cash flows from financing activities		
Proceeds from issuance of convertible notes payable.	30,000	—
Payment of convertible notes payable issuance costs	(35)	—
Proceeds from exercise of stock options	841	2,103
Deferred offering costs	—	(224)
Proceeds from issuance of Series B convertible preferred stock.	—	99,500
Payment of Series B convertible preferred stock issuance costs.	—	(387)
Net cash provided by financing activities	30,806	100,992
Net increase in cash, cash equivalents, and restricted cash	23,356	56,812
Cash, cash equivalents, and restricted cash at beginning of the period	128,427	115,297
Cash, cash equivalents, and restricted cash at end of the period	$151,783	$172,109
Supplemental disclosure of noncash investing and financing activities:		
Property and equipment included in accounts payable and accrued expenses	48	459
Conversion of convertible note and accrued interest into Series B-1 convertible preferred stock	—	12,660
Series B convertible preferred stock issuance costs included in accounts payable and accrued expenses	—	231
Deferred offering costs included in accounts payable and accrued expenses	—	671

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

CITY THERAPEUTICS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

1. Nature of Business

Organization

City Therapeutics, Inc. (the Company or City) is a clinical-stage biotechnology company developing the next generation of RNAi therapeutics designed to silence the expression of disease-relevant proteins, with the aim of delivering meaningful and durable benefits for patients in need.

The Company was incorporated in the state of Delaware on July 17, 2023, and has a principal office in Cambridge, Massachusetts.

Liquidity and Capital Resources

Since inception, the Company has devoted substantially all of its efforts to research and development activities, advancing development of the portfolio of programs and platforms, raising capital, developing and maintaining its intellectual property, hiring personnel, and providing general and administrative support for these operations. The Company is subject to risks and uncertainties common to companies in the biotechnology industry, including but not limited to, risks of failure of preclinical studies and clinical trials, development and manufacturing of potential future product candidates, obtaining regulatory approval for potential future product candidates, competition from substitute products, the need to successfully commercialize and gain market acceptance of its potential future product candidates, dependence on key personnel, protection of proprietary technology, compliance with government regulations, development by competitors of technological innovations and the ability to secure additional capital to fund operations.

There can be no assurance that the Company's research and development efforts will be successfully completed, that adequate protection for the Company's intellectual property will be obtained, that any products developed will obtain necessary government regulatory approval or that any approved products will be commercially viable. Even if the Company's product development efforts are successful, it is uncertain when, if ever, the Company will generate significant revenue from product sales. The Company operates in an environment of rapid change in technology and substantial competition from pharmaceutical and biotechnology companies. In addition, the Company is dependent upon the services of its employees and consultants.

The Company has incurred net losses of $24.3 million and $53.4 million during the six months ended June 30, 2025 and 2026, respectively. As of December 31, 2025 and June 30, 2026, the Company had an accumulated deficit of $89.1 million and $142.5 million, respectively. As of June 30, 2026, the Company had cash, cash equivalents, and restricted cash of $172.1 million. To date, the Company's financing has primarily been through the sale of its Series Seed, Series A and Series B convertible preferred stock, as well as capital received from its collaboration arrangements with Bausch + Lomb Ireland Limited (Bausch + Lomb) and Biogen MA Inc. (Biogen).

The Company has evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that these condensed consolidated financial statements are issued. As of the issuance date of the condensed consolidated financial statements, the Company expects its cash and cash equivalents will be sufficient to fund its operating expenses and capital expenditure requirements for at least the next twelve months from the date these condensed consolidated financial statements were available to be issued. The future viability of the Company beyond that point is dependent on its ability to raise additional capital to finance its operations. Until such time that the Company can generate significant product revenues, if ever, the Company expects to seek additional funding through private and public equity financings, additional collaborations, strategic alliances and marketing, distribution or licensing arrangements. The Company is seeking to complete an initial public offering (IPO) of its

CITY THERAPEUTICS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(UNAUDITED)

1. Nature of Business (Continued)

common stock. Upon the completion of a qualifying public offering on specified terms, the Company's outstanding convertible preferred stock will automatically convert into shares of common stock (see Note 10). In the event the Company does not complete an IPO, 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 additional collaborations or other arrangements. The terms of any financing may adversely affect the holdings or the rights of the Company's stockholders.

If the Company is unable to obtain sufficient funding, the Company will be forced to delay, scale back or discontinue some or all of its research and development programs, product portfolio expansion efforts or commercialization efforts, which could adversely affect its business prospects. Although management continues to pursue these plans, there is no assurance that the Company will be successful in obtaining sufficient funding on terms acceptable to the Company to fund continuing operations, if at all.

2. Basis of Presentation and Summary of Significant Accounting Policies

The Company's significant accounting policies are disclosed in Note 2 in the audited consolidated financial statements for the years ended December 31, 2024 and 2025 included elsewhere in this prospectus. Since the date of those financial statements, there have been no changes to the Company's significant accounting policies, except as noted below.

Unaudited Interim Financial Information

The accompanying interim condensed consolidated financial statements are unaudited. These unaudited interim condensed consolidated financial statements have been prepared on the same basis as the Company's annual consolidated financial statements and, in the opinion of management, reflect all adjustments that are necessary for the fair statement of the Company's financial position as of June 30, 2026, and the results of operations and cash flows for the six months ended June 30, 2025 and 2026. The condensed consolidated balance sheet as of December 31, 2025 included herein was derived from the audited consolidated financial statements. The results of operations for the six months ended June 30, 2026 are not necessarily indicative of the results to be expected for the full year ending December 31, 2026, or for any other future annual or interim period.

Deferred Offering Costs

The Company capitalizes certain legal, professional, accounting, and other third-party fees that are directly associated with in-process equity financings as deferred offering costs until such equity financings are consummated. After consummation of the equity financing, these costs are recorded as a reduction in the proceeds from the offering, either as a reduction of the carrying amount of the convertible preferred stock or in stockholders' deficit as a reduction of additional paid-in capital generated as a result of the offering. Should the in-process equity financing be abandoned, the deferred offering costs are expensed immediately as a charge to operating expenses in the condensed consolidated statement of operations and comprehensive loss. As of December 31, 2025, no deferred offering costs were recorded and as of June 30, 2026, $0.9 million of deferred offering costs were recorded in the condensed consolidated balance sheet.

Common Stock Valuation

Due to the absence of an active public market for the Company's common stock, the Company utilized methodologies, approaches and assumptions consistent with the American Institute of Certified Public Accountants' Accounting and Valuation Guide, *Valuation of Privately Held Company Equity Securities Issued as Compensation* to estimate the fair value of its common stock. In determining the

CITY THERAPEUTICS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(UNAUDITED)

2. Basis of Presentation and Summary of Significant Accounting Policies (Continued)

exercise prices for options granted, the Company has considered the fair value of the common stock as of the grant date. The estimated fair value of the common stock has been determined based upon a variety of factors, including:

- the prices at which the Company sold convertible preferred stock to new and existing investors and the rights and preferences of the convertible preferred stock relative to our common stock at the time of each grant;
- the Company's ability to raise future financings;
- the progress of the Company's research and development efforts, including the status of clinical development for our product candidates;
- the Company's financial position, including cash on hand, and our historical and forecasted performance and operating results;
- the Company's stage of development and business strategy and the material risks related to our business and industry;
- the achievement of enterprise milestones, including entering into license agreements;
- any external market conditions affecting the biotechnology industry and trends within the biotechnology industry;
- the likelihood of achieving a liquidity event for the holders of our convertible preferred stock and holders of our common stock, such as an initial public offering, or a sale of the Company, given prevailing market conditions; and
- the analysis of initial public offerings and the market performance of similar companies in the biopharmaceutical industry.

Based on the Company's early stage of development and other relevant factors, options granted prior to June 4, 2026 were valued using an option pricing method (OPM) as an OPM was the most appropriate method for allocating the enterprise value to determine the estimated fair value of the common stock. For options granted after June 4, 2026, the Company determined that a hybrid method that combines both OPM and probability-weighted expected return method (PWERM) was the most appropriate method to determine the estimated fair value of the Company's common stock.

Significant changes to the key assumptions underlying the factors used could result in different fair values of common stock at each valuation date.

Recently Issued Accounting Standards

In November 2024, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2024-03, *Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* (ASU 2024-03), which is intended to provide more detailed information about specified categories of expenses included in certain expense captions presented on the statement of operations and comprehensive loss. The guidance in ASU 2024-03 is effective for fiscal years beginning after December 15, 2026. Early adoption is permitted. The amendments may be applied either (1) prospectively to financial statements issued for periods after the effective date of ASU 2024-03 or (2) retrospectively to all prior periods presented in the financial statements. The Company is continuing to evaluate the impact that the adoption of ASU 2024-03 may have on its condensed consolidated financial statements and related disclosures for fiscal years beginning after December 15, 2026.

CITY THERAPEUTICS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(UNAUDITED)

2. Basis of Presentation and Summary of Significant Accounting Policies (Continued)

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements* (ASU 2025-11) to provide clarifications intended to improve the consistency and usability of interim disclosure requirements. ASU 2025-11 includes a comprehensive listing of required interim disclosures and a new disclosure principle for reporting material events occurring after the most recent annual period. ASU 2025-11 is effective for interim periods within annual reporting periods beginning after December 15, 2027 for public business entities and for interim periods within annual reporting periods beginning after December 15, 2028 for all other entities. Early adoption is permitted. The amendments in this update permit an entity to apply the new guidance using a prospective or retrospective approach. The Company is currently assessing the impact adoption of ASU 2025-11 will have on its condensed consolidated financial statements and related disclosures.

3. Property and Equipment, Net

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

	December 31, 2025	June 30, 2026
Computer and equipment	$ 198	$ 198
Furniture and fixtures	16	16
Lab equipment	5,805	7,287
Leasehold improvements	1,066	1,066
Total property and equipment, gross	7,085	8,567
Less: accumulated depreciation	(1,596)	(2,398)
Property and equipment, net	$ 5,489	$ 6,169

Total depreciation expense for the six months ended June 30, 2025 and 2026 was $0.5 million and $0.8 million, respectively.

4. Accrued Expenses and Other Current Liabilities

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

	December 31, 2025	June 30, 2026
Payroll and employee-related costs	$2,480	$2,566
Research and development costs	2,162	3,586
Other	928	1,847
Total accrued expenses and other current liabilities	$5,570	$7,999

5. Convertible Notes

B+L Note

In July 2024, the Company, in connection with the research collaboration and license agreement entered into with Bausch + Lomb (Note 9), issued a convertible note (B+L Note) to Bausch + Lomb for cash proceeds of $10.0 million. The B+L Note was issued at fair value. The B+L Note accrued interest at a rate of 8% per annum. The Company elected the fair value option to account for the B+L Note. The fair value of the B+L Note as of December 31, 2025 was $10.8 million.

CITY THERAPEUTICS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(UNAUDITED)

5. Convertible Notes (Continued)

In May 2026, in connection with the execution of the Company's Series B Convertible Preferred Stock Purchase Agreement (Series B Agreement), the outstanding principal and accrued interest under the B+L Note were automatically converted into 924,030 shares of Series B-1 convertible preferred stock at a discounted conversion price of $12.4351 per share. This price reflects a 15% discount to the $14.6295 per share purchase price paid by new investors in the Series B financing. The conversion of the B+L Note was accounted for as an extinguishment of debt. The Company recognized the carrying amount of the B+L Note at fair value immediately before conversion into Series B-1 convertible preferred stock (which reflects the fair value of Series B-1 convertible preferred stock issued). As such, no gain or loss was recognized upon conversion.

For the six months ended June 30, 2025 and 2026, the Company recognized $0.4 million and $0.3 million of interest expense related to the B+L Note, respectively. The Company recognized the change in fair value for the B+L Note within total other income, net, in the condensed consolidated statements of operations and comprehensive loss in the amount of a gain of less than $0.1 million and a loss of $0.4 million, inclusive of the change in fair value immediately before conversion, for the six months ended June 30, 2025 and 2026, respectively.

Biogen Note

In May 2025, the Company, in connection with the research collaboration and license agreement entered into with Biogen (Note 9), issued a convertible note (Biogen Note) to Biogen for cash proceeds of $30.0 million. The Biogen Note was issued at fair value. The Biogen Note bears interest at a rate of 8% per annum and matures on July 1, 2027, unless earlier converted into equity securities of the Company. The Company elected the fair value option to account for the Biogen Note. Accordingly, the Company recorded the Biogen Note at fair value upon issuance and at each reporting period until settlement, with changes in fair value recorded in the condensed consolidated statements of operations and comprehensive loss.

The principal and accrued interest under the Biogen Note will automatically convert into shares of the Company's equity securities upon the earlier of (i) the initial closing of the Company's next qualified equity financing in which the Company raises at least $100.0 million of cash proceeds or (ii) the closing of the Company's IPO. In the case of a qualified equity financing, the Biogen Note will convert into shares of preferred stock issued in such financing. In the case of an IPO, the Biogen Note will convert into shares of common stock issued in such offering. If the Biogen Note remains outstanding as of June 30, 2027, the outstanding principal and accrued interest will automatically convert into shares of preferred stock of the Company's most recently completed equity financing. In each case, the number of shares issued upon conversion will equal the outstanding principal and accrued interest divided by a conversion price equal to 85% of the price paid per share by cash investors in the applicable financing.

For the six months ended June 30, 2025 and 2026, the Company recognized $0.2 million and $1.2 million of interest expense related to the Biogen Note, respectively. The Company recognized a loss on change in fair value for the Biogen Note within total other income, net, in the condensed consolidated statements of operations and comprehensive loss in the amount of $0.2 million and $2.0 million for the six months ended June 30, 2025 and 2026, respectively. The fair value of the Biogen Note as of December 31, 2025 and June 30, 2026 was $31.1 million and $33.1 million, respectively.

CITY THERAPEUTICS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(UNAUDITED)

6. Fair Value of Financial Instruments

The following tables present information about the Company's financial assets and liabilities that are measured at fair value on a recurring basis and indicate the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value (in thousands):

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Liabilities				
Convertible debt, net of discount	$ —	$ —	$41,868	$41,868
Total liabilities	$ —	$ —	$41,868	$41,868

	June 30, 2026			
	Level 1	Level 2	Level 3	Total
Liabilities				
Convertible debt, net of discount	$ —	$ —	$33,089	$33,089
Total liabilities	$ —	$ —	$33,089	$33,089

There have been no transfers between fair value levels during the six months ended June 30, 2025 and 2026.

Convertible Notes

As further described in Note 5, in July 2024, the Company issued the B+L Note in connection with a research collaboration and license agreement with Bausch + Lomb. In May 2025, the Company issued the Biogen Note in connection with a research collaboration and license agreement with Biogen. The Company elected the fair value option for each of the convertible note issuances. The fair value of each of the convertible notes was estimated using a scenario-based analysis that estimates the fair value based on the probability-weighted present value of expected future investment returns, considering each of the possible outcomes available to the noteholder. The Biogen Note remains outstanding as of June 30, 2026.

The B+L Note, as described in Note 5, was converted into Series B-1 convertible preferred stock in May 2026. The final fair value of the B+L Note was determined using an OPM backsolve to the Series B convertible preferred stock, considering the differences in liquidation preference between the Series B and Series B-1 convertible preferred stock.

The following tables summarize information about the significant unobservable inputs used in the fair value measurements for the B+L Note and the Biogen Note:

CITY THERAPEUTICS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(UNAUDITED)

6. Fair Value of Financial Instruments (Continued)

	December 31, 2025				
	Fair value as of initial valuation date (in thousands)	Fair value as of period end (in thousands)	Expected settlement options (and relative weighting)	Key unobservable inputs	Range
B + L Note	$10,000	$10,805	Equity financing (95)%	Estimated time to settlement: Discount rate:	0.42 years 18.17%
Biogen Note	$30,000	$31,063	Equity financing (95)%	Estimated time to settlement: Discount rate:	1.25 years 14.39%

	June 30, 2026				
	Fair value as of initial valuation date (in thousands)	Fair value as of period end (in thousands)	Expected settlement options (and relative weighting)	Key unobservable inputs	Range
Biogen Note	$30,000	$33,089	Equity financing (95)%	Estimated time to settlement: Discount rate:	0.33 years 14.39%

The following table provides a reconciliation of all liabilities measured at fair value using Level 3 significant unobservable inputs (in thousands):

	Convertible Notes
Balance at January 1, 2025	$ 10,276
Issuance of convertible note, net on May 23, 2025	29,965
Amortization of issuance costs.	21
Change in fair value of convertible notes	1,606
Balance at December 31, 2025	$ 41,868
Amortization of issuance costs.	24
Change in fair value of convertible notes	2,366
Non-cash conversion of B+L note to Series B-1 convertible preferred stock	(11,169)
Balance at June 30, 2026	$ 33,089

During the six months ended June 30, 2025 and 2026, there were no transfers between levels.

7. Leases

In June 2025, the Company entered into the First Amendment to Lease (the Amendment), which expanded the leased premises to include the entire second floor and a portion of the fourth floor, provided for the surrender of the original first floor and penthouse mechanical premises and extended the lease

7. Leases (Continued)

term through September 30, 2031. Following the Amendment, the Company's leased premises consist of approximately 51,726 rentable square feet. The Company recorded a gain on lease modification of $1.0 million in other income, net in our condensed consolidated statement of operations and comprehensive loss.

There were no material lease modifications, impairments, or new lease arrangements during the six months ended June 30, 2026.

The elements of operating lease expense were as follows (in thousands):

	Six months ended June 30,	
	2025	2026
Lease cost		
Operating lease cost	$1,471	$3,140
Variable lease cost	701	1,237
Total lease cost	$2,172	$4,377

8. Commitments and Contingencies

Litigation

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. From time to time, the Company may become involved in legal proceedings arising in the ordinary course of business. As of December 31, 2025 and June 30, 2026, the Company had no matters for which a loss was considered probable or reasonably possible that would require accrual or disclosure under ASC 450, *Contingencies*.

Indemnification

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, or intends to enter into, indemnification agreements with all members of the board of directors (Board) and 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.

The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is not determinable. 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 that could 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 December 31, 2025 and June 30, 2026.

CITY THERAPEUTICS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(UNAUDITED)

9. Significant Agreements

Ohio State Innovation Foundation License Agreement

On October 30, 2023, the Company entered into an exclusive license agreement (as amended, the OSIF License Agreement) with the Ohio State Innovation Foundation (OSIF), pursuant to which the Company has been granted an exclusive, royalty-bearing license to certain patent rights to make, have made, use, sell, and import licensed products and technology disclosures to the licensed intellectual property.

Pursuant to the OSIF License Agreement, the Company is required to make milestone payments of up to $4.2 million upon achievement of certain clinical development, regulatory approval, and commercial sales milestones for each licensed product. The Company is also required to pay royalties to OSIF in the low-single digit percentage range based on net sales of any licensed products and processes, along with a specified minimum annual royalty amount for each licensed product, subject to customary reductions and offsets. In addition, the Company is responsible for certain patent costs incurred after the effective date and annual maintenance fees. The OSIF License Agreement also requires the Company to pay OSIF tiered percentages of certain non-royalty sublicense consideration, ranging from a low-twenties to mid-twenties percentage at earlier stages of development and a low-tens to mid-teens percentage at later stages of development, with the applicable percentage depending on the stage of development at which the sublicense is granted. In connection with the Biogen Research Collaboration and License Agreement (Note 9), the Company accrued $0.3 million in sublicensing fees payable to OSIF during the six months ended June 30, 2025 and no payments were made or accrued for the six months ended June 30, 2026. No milestone payments or net sales-based royalties had become due to OSIF through June 30, 2026. No repurchase rights of common stock issued to OSIF had become payable as of June 30, 2026. No acquired in-process research and development expense was recognized in connection with the OSIF License Agreement during the six months ended June 30, 2025 and 2026, respectively.

Bausch + Lomb Research Collaboration and License Agreement

On July 8, 2024, the Company entered into a research collaboration and license agreement (B+L Research Collaboration and License Agreement) with Bausch + Lomb, pursuant to which the Company is performing research activities to identify development candidates for ocular diseases and granted Bausch + Lomb an option to obtain an exclusive worldwide license to certain Company intellectual property.

Pursuant to the B+L Research Collaboration and License Agreement, the Company will perform research and deliver to Bausch + Lomb a development candidate for which Bausch + Lomb may exercise their option to license. If Bausch + Lomb exercises its option, it will engage in the development, manufacturing and commercialization of licensed molecules and licensed products from the development candidate. Under the B+L Research Collaboration and License Agreement, the Company received a non-refundable upfront payment of $5.0 million from Bausch + Lomb. Over the course of the research plan, Bausch + Lomb is required to reimburse the Company for amounts incurred for full-time employees and other related costs and materials directly associated with the research plan. Additionally, the Company is eligible to receive a certain development candidate selection fee and certain other development, regulatory, commercial and sales milestones, collectively up to an aggregate of $485.0 million, along with tiered royalties ranging in the mid-single digits to low teens on net sales. If the agreement terminates and the Company later successfully commercializes a product candidate using the licensed intellectual property, the Company will owe a low-single digit royalty payment to Bausch + Lomb on future net sales for a fixed royalty term. As of June 30, 2026, no such milestone payments or royalties had become due to the Company.

9. Significant Agreements (Continued)

The Company accounts for the agreement as a single performance obligation satisfied over time using a cost-based input method. As of June 30, 2026, the total transaction price is $15.0 million.

Biogen Research Collaboration and License Agreement

On May 23, 2025, the Company entered into a research collaboration and license agreement (Biogen Research Collaboration and License Agreement) with Biogen, pursuant to which (i) the Company and Biogen shall collaborate to undertake a research plan to discover certain RNAi triggers that inhibit the expression of a target protein and conjugates of such RNAi triggers and (ii) the Company granted Biogen an exclusive, worldwide, royalty-bearing license to certain Company intellectual property to develop, manufacture and commercialize certain licensed products in the field in the territory.

Pursuant to the Biogen Research Collaboration and License Agreement, the Company will perform research activities and deliver to Biogen data packages and technology transfers to enable Biogen to select and advance a development candidate, for which Biogen may exercise its rights under the license. If Biogen selects a development candidate, it will control the development, manufacturing and commercialization of licensed compounds and licensed products. Each party is responsible for its own research costs under the agreement. Biogen has the option of selecting one additional target during the option exercise period, subject to execution of a separate agreement and payment of a specified option exercise fee. The Company received a $16.0 million upfront payment and may receive an additional upfront payment upon the satisfaction of certain conditions relating to the Company's upstream third-party intellectual property agreement, as well as development, commercial, and sales milestone payments of up to approximately $1.0 billion, and tiered royalties from the high-single digits to low-teens on net sales. As of June 30, 2026, no such milestones or royalties had become due to the Company.

The Company accounts for the agreement as a single performance obligation satisfied over time using a cost-based input method. At contract inception, the transaction price was determined to be $16.0 million, which represents the nonrefundable upfront payment under the Biogen Research Collaboration and License Agreement. The $4.0 million additional upfront payment, research milestones, development milestones, sales milestones, and royalties are variable consideration that is fully constrained at inception and therefore excluded from the initial transaction price. During the year ended December 31, 2025, one research milestone of $2.5 million became probable and was included in the transaction price, increasing the total transaction price to $18.5 million as of December 31, 2025.

During the period ended June 30, 2026, the Company and Biogen agreed to increase the research milestone from $2.5 million to $4.0 million. The Company concluded this modification did not result in a distinct new promise or good, resulting in the Company maintaining its single performance obligation under the Biogen Research Collaboration and License Agreement. This increase was accounted for as a modification and the transaction price was revised to $20.0 million, resulting in a cumulative catch-up adjustment to revenue in the six months ended June 30, 2026.

CITY THERAPEUTICS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(UNAUDITED)

9. Significant Agreements (Continued)

Amounts recognized under the B+L Research Collaboration and License Agreement and Biogen Research Collaboration and License Agreement were as follows (in thousands):

	Six months ended June 30,	
	2025	**2026**
Revenue recognized from B+L Research Collaboration and License Agreement (Ocular)	$3,567	$2,845
Revenue recognized from Biogen Research Collaboration and License Agreement (CNS)	2,011	3,513
Total Revenue	$5,578	$6,358

	December 31, 2025	June 30, 2026
Amounts receivable under B+L Research Collaboration and License Agreement	$ 1,209	$ 5,119
Deferred revenue, current portion		
Deferred revenue – Bausch + Lomb, current portion	1,693	743
Deferred revenue – Biogen, current portion	9,562	10,048
Total Deferred Revenue, current portion	$11,255	$10,791
Deferred revenue, non-current portion		
Deferred revenue – Bausch + Lomb, noncurrent portion	$ —	$ —
Deferred revenue – Biogen, noncurrent portion	—	—
Total Deferred Revenue, non-current portion	$ —	$ —

The accounts receivable recorded as of December 31, 2025 and June 30, 2026 related to the reimbursable research and development efforts by the Company which were invoiced as incurred.

The following table summarizes the changes in deferred revenue related to the upfront non-refundable payments received as part of the B+L Research Collaboration and License Agreement and Biogen Research Collaboration and License Agreement (in thousands):

	Six months ended June 30,	
	2025	**2026**
Beginning balance	$ 3,956	$11,255
Additions	16,000	4,000
Deductions	(3,351)	(4,464)
Ending balance	$16,605	$10,791

CITY THERAPEUTICS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(UNAUDITED)

9. Significant Agreements (Continued)

The Company recognizes the following revenues from amounts included in deferred revenue as of the beginning of the period (in thousands):

	Six months ended June 30,	
	2025	2026
Revenue from amounts included in deferred revenue as of the beginning of the period	$1,341	$3,344

10. Convertible Preferred Stock

Series Seed Convertible Preferred Stock

Beginning in September 2023 and in multiple closings through March 2024, the Company issued shares of its Series Seed convertible preferred stock pursuant to a Series Seed Convertible Preferred Stock Purchase Agreement (Series Seed Agreement) with certain investors. The Company issued a total of 4,544,990 shares of Series Seed convertible preferred stock at a purchase price of $1.00 per share for gross proceeds of $4.5 million across multiple closings. The Company incurred $0.1 million in issuance costs associated with the Series Seed convertible preferred stock financing.

Series A Convertible Preferred Stock

Beginning in April 2024 and closing in multiple closings through December 2024, the Company issued shares of its Series A convertible preferred stock pursuant to the Series A Convertible Preferred Stock Purchase Agreement (Series A Agreement) with certain investors. The Company issued an aggregate of 13,996,318 shares of Series A convertible preferred stock. Of the 13,996,318 shares issued, 13,435,354 shares were issued at a price per share of $10.0295 for aggregate gross proceeds of $134.7 million. Additionally, the Company's outstanding convertible notes and related accrued interest, at the time of the Series A Agreement, totaling $5.1 million, converted into 560,964 shares of Series A convertible preferred stock at a price per share of $9.02655.

Series B and B-1 Convertible Preferred Stock

Beginning in May 2026 and in one additional closing in June 2026, the Company issued shares of its Series B and B-1 convertible preferred stock pursuant to the Series B Agreement with certain investors. The Company issued an aggregate of 7,725,348 shares of Series B and B-1 convertible preferred stock. Of the 7,725,348 shares issued, 6,801,318 shares of Series B convertible preferred stock were issued at a price per share of $14.6295 for aggregate gross proceeds of $99.5 million. Additionally, the Company's outstanding B+L Note and related accrued interest, at the time of the Series B Agreement, totaling $11.5 million, converted into 924,030 shares of Series B-1 convertible preferred stock at a price per share of $12.4351 with an aggregate fair value of $12.7 million (or $13.70 per share of Series B-1 convertible preferred stock). See Note 5.

CITY THERAPEUTICS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(UNAUDITED)

10. Convertible Preferred Stock (Continued)

The Company's convertible preferred stock is summarized below (in thousands, except share amounts):

	December 31, 2025				
	Total Shares Authorized	Total Shares Issued and Outstanding	Common Shares Issuable upon Conversion	Carrying Value	Liquidation Preference
Series Seed convertible preferred stock	4,544,990	4,544,990	4,544,990	$ 4,475	$ 4,545
Series A convertible preferred stock	14,295,436	13,996,318	13,996,318	140,039	140,376
Total	18,840,426	18,541,308	18,541,308	$144,514	$144,921

	June 30, 2026				
	Total Shares Authorized	Total Shares Issued and Outstanding	Common Shares Issuable upon Conversion	Carrying Value	Liquidation Preference
Series Seed convertible preferred stock	4,544,990	4,544,990	4,544,990	$ 4,475	$ 4,545
Series A convertible preferred stock	13,996,318	13,996,318	13,996,318	140,039	140,376
Series B convertible preferred stock	6,801,318	6,801,318	6,801,318	98,882	99,500
Series B-1 convertible preferred stock	924,030	924,030	924,030	12,660	11,490
Total	26,266,656	26,266,656	26,266,656	$256,056	$255,911

The holders of the Series Seed, A, B, and B-1 convertible preferred stock have the following rights, preferences and privileges:

Conversion

All series of convertible preferred stock are convertible at any time at the option of the holder and mandatorily convertible upon a) a firm-commitment underwritten qualified initial public offering resulting in at least $75.0 million of gross proceeds to the Company (Qualified IPO) or b) the vote or written consent of holders of at least 56% of the outstanding shares of convertible preferred stock (Requisite Holders) into common stock on a one-to-one basis. The Series Seed, A, B, and B-1 convertible preferred stock conversion price initially is equal to $1.00, $10.0295, $14.6295, and $12.4351 per share, respectively, each subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization and other adjustments, including adjustment if common stock is issued for less than the original issue price of each series of convertible preferred stock (subject to certain exceptions, including shares of common stock in a Qualified IPO).

Voting

The holder of each share of Series Seed, A, B, and B-1 convertible preferred stock is entitled to one vote for each share of common stock into which such shares of Series Seed, A, B, and B-1 convertible

10. Convertible Preferred Stock (Continued)

preferred stock could then be converted and votes together with the holders of common stock as a single class, on an as-converted to common stock basis.

Redemption

The holders of Series Seed, A, B, and B-1 convertible preferred stock do not have any redemption rights, except for the contingent redemption upon the occurrence of a Deemed Liquidation Event (as defined below).

Liquidation

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, or upon the occurrence of a Deemed Liquidation Event (as defined below), the holders of the Series Seed, A, B, and B-1 convertible preferred stock are entitled to receive an amount per share equal to the greater of (i) the respective original issuance price, plus any dividends declared but unpaid or (ii) the amount payable with respect to such share if it was converted to common stock immediately prior to such liquidation, dissolution, winding up or Deemed Liquidation Event (as defined below). Liquidation payments to the holders of the Series Seed, A, B, and B-1 convertible preferred stock have priority and are made in preference to any payments to the holders of common stock. After full payment of the liquidation preference to the holders of the Series Seed, A, B, and B-1 convertible preferred stock, the remaining assets, if any, will be distributed to the holders of shares of common stock, pro rata based on the number of shares held by each holder. Unless the Requisite Holders, elect otherwise, a “Deemed Liquidation Event” shall include a merger, consolidation, or share exchange (other than one in which stockholders of the Company own a majority by voting power of the outstanding shares of the surviving or acquiring corporation) or a sale, lease, transfer, exclusive license or other disposition of all or substantially all of the assets of the Company taken as a whole or the sale or disposition of one or more subsidiaries if substantially all of the assets of the Company and its subsidiaries are held by such subsidiary or subsidiaries.

Dividends

The Company shall not declare, pay or set aside any dividends on shares of any class of capital stock of the Company unless the holders of the Series Seed, A, B, and B-1 convertible preferred stock shall first receive, or simultaneously receive, a noncumulative dividend on each outstanding share of the Series Seed, A, B, and B-1 convertible preferred stock equal to 8% of the original issue prices. No such dividends have been declared or paid through June 30, 2026.

11. Common Stock

During the six months ended June 30, 2026, the Company increased the number of authorized shares of common stock from 30,000,000 to 42,350,000 shares of $0.0001 par value common stock.

Features of the Common Stock

The common stock has a par value of $0.0001, and the holders of common stock are entitled to one vote for each share of common stock held at all meetings of stockholders and written actions in lieu of meetings provided. All dividends shall be declared and paid pro rata according to the number of shares held by each stockholder. In the event of a liquidation, dissolution, or winding up of the Company, the common stock ranks behind the preferred stock.

CITY THERAPEUTICS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(UNAUDITED)

11. Common Stock (Continued)

Common stock reserved for future issuance consists of the following:

	December 31, 2025	June 30, 2026
Series Seed convertible preferred stock	4,544,990	4,544,990
Series A convertible preferred stock	13,996,318	13,996,318
Series B convertible preferred stock	—	6,801,318
Series B-1 convertible preferred stock	—	924,030
Unvested restricted stock	1,895,344	1,788,606
Stock options issued and outstanding	4,341,602	4,920,950
Shares available for issuance under the Plan	568,697	1,349,944
Total	25,346,951	34,326,156

12. Stock-based Compensation

2023 Stock Plan

The 2023 Plan was originally adopted with 1,035,000 shares of common stock reserved for issuance. The Board subsequently increased the number of shares reserved under the 2023 Plan at various times during 2024, 2025, and 2026. As of June 30, 2026, the Company had reserved 9,121,166 shares of common stock for issuance under the 2023 Plan. There are no additional shares of common stock available for future issuance outside the common stock reserved under the 2023 Plan.

The stock options granted to employees follow various vesting periods ranging from immediate to four-year vesting and have a term of up to ten years from the date of grant.

Stock Option Valuation

The Company estimates the fair value of stock options using the Black-Scholes option-pricing model. This model incorporates various assumptions, including the expected volatility, expected term, and interest rates.

The following table presents, on a weighted-average basis, the assumptions used in the Black-Scholes option-pricing model to determine the fair value of stock options granted during the six months ended June 30, 2025 and 2026:

	Six months ended June 30,	
	2025	2026
Risk-free interest rate	4.12% – 4.22%	3.64% – 4.26%
Dividend yield	0%	0%
Expected term of options (years) range	5.27 – 6.08	5.23 – 6.08
Volatility rate range	87.73% – 111.06%	100.27% – 108.11%

The weighted-average grant-date fair value of stock options granted during the six months ended June 30, 2025 and 2026 was $2.28 and $3.26 per share, respectively.

CITY THERAPEUTICS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(UNAUDITED)

12. Stock-based Compensation (Continued)

Time-Based Stock Options

The following table summarizes the Company's time-based stock option activity for the six months ended June 30, 2026:

	Number of Outstanding Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Balance at December 31, 2025	3,066,473	$1.23	8.98	$ 2,383
Granted	1,150,412	4.31		
Exercised	(1,111,328)	1.26		
Cancelled	—	—		
Forfeited	(32,549)	1.80		
Balance at June 30, 2026	3,073,008	$2.37	8.94	$19,341
Vested and expected to vest as of June 30, 2026	3,073,008	$2.37	8.94	$19,341
Vested and exercisable at June 30, 2026	686,215	$1.02	8.23	$ 5,243

As of June 30, 2026, there was $7.9 million of total unrecognized compensation cost related to unvested time-based stock options, and the Company expects to recognize such amount over a remaining weighted-average period of 3.3 years.

Performance-Based Stock Options

The Company has granted stock options to certain employees to purchase shares of common stock that contain performance-based vesting criteria related to corporate or scientific milestones. The fair value of each option grant with performance-based vesting was estimated on the date of grant.

Recognition of stock-based compensation expense associated with these performance-based stock options commences when the performance condition is considered probable of achievement, using management's best estimates, which consider the inherent risk and uncertainty regarding the future outcomes of the milestones. In January 2026, the Company determined that the achievement of a scientific milestone was probable, triggering the vesting condition on certain performance-based stock options. As a result, the Company recognized $3.4 million of stock-based compensation expense related to the vesting of 975,194 stock options for the six months ended June 30, 2026.

The following table summarizes the Company's performance-based stock option activity for the six months ended June 30, 2026:

CITY THERAPEUTICS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(UNAUDITED)

12. Stock-based Compensation (Continued)

	Number of Outstanding Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Balance at December 31, 2025	1,275,129	$1.23	9.02	$ 1,000
Granted	1,152,150	2.14		
Exercised	(578,077)	1.22		
Forfeited	(1,260)	1.34		
Balance at June 30, 2026	1,847,942	$1.80	9.19	$12,682
Vested and exercisable at June 30, 2026	191,334	$1.00	8.24	$ 1,466

As of June 30, 2026, there was $3.5 million of total unrecognized compensation cost related to unvested performance-based stock options, and the Company expects to recognize such amount when the achievement of the underlying performance conditions becomes probable. Because vesting of the performance-based options is not reasonably assured, the Company does not consider these options to be expected to vest.

Restricted Common Stock Awards

The Company awarded restricted common stock to employees and non-employees under its 2023 Plan and may continue to award restricted common stock to employees and non-employees under the 2023 Plan. Additionally, employees who exercise their option awards prior to the vesting of that award hold common stock that is subject to further time- or performance-based vesting conditions and therefore classified as restricted stock for accounting purposes. The fair value of each share of restricted common stock is based on the estimated fair value of the Company's common stock on the date of grant.

Time-Based Restricted Common Stock Awards

Restricted common stock that has time-based vesting conditions vest over a four-year period, subject to the employee's continued employment with, or service to, the Company on each vesting date. Compensation expense is recognized on a straight-line basis over the vesting period.

The following table summarizes the Company's time-based restricted common stock award activity for the six months ended June 30, 2026:

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested restricted common stock at December 31, 2025	1,551,081	$1.12
Issued	687,822	2.62
Vested	(588,777)	1.27
Unvested restricted common stock at June 30, 2026	1,650,126	$1.69

As of June 30, 2026, there was $3.7 million of total unrecognized compensation cost related to time-based restricted common stock, and the Company expects to recognize such amount over a remaining weighted-average period of 2.3 years.

CITY THERAPEUTICS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(UNAUDITED)

12. Stock-based Compensation (Continued)

Performance-Based Restricted Common Stock Awards

Restricted common stock that have performance-based vesting conditions vest when certain milestones are achieved and approved by the Board, subject to the employee's continued employment with, or service to, the Company on each vesting date. Compensation expense is recognized upon the achievement of the certain milestones.

The following table summarizes the Company's performance-based restricted common stock award activity for the six months ended June 30, 2026:

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested restricted common stock at December 31, 2025	344,263	$4.00
Issued	137,370	5.42
Vested	(343,153)	4.01
Unvested restricted common stock at June 30, 2026	138,480	$5.40

As of June 30, 2026, there was $0.2 million of total unrecognized compensation cost related to performance-based restricted common stock, and the Company expects to recognize such amount when the achievement of the underlying performance conditions become probable.

Stock-Based Compensation

The following table below summarizes the classification of the Company's stock-based compensation expense related to stock options and restricted common stock awards in the condensed consolidated statements of operations and comprehensive loss (in thousands):

	Six months ended June 30,	
	2025	2026
Research and development	$ 442	$1,316
General and administrative	1,055	3,601
Total stock-based compensation expense	$1,497	$4,917

13. 401(k) Plan

The Company has a defined-contribution savings plan under Section 401(k) of the IRC (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 pretax basis. The Company will make a contribution of 4% of each employee's annual compensation up to annual safe harbor limits.

The Company has expensed $0.2 million and $0.3 million in 401(k) contributions for the six months ended June 30, 2025 and 2026, respectively.

14. Income Taxes

For the six months ended June 30, 2025 and 2026, the Company did not recognize any current or deferred income tax provision or benefit and is in a full valuation allowance. The Company did not make

any federal, state, local or foreign income tax payments, net of refunds received, during the six months ended June 30, 2025 and 2026.

The Company has evaluated the positive and negative evidence bearing upon its ability to realize its deferred tax assets. Management has considered the Company's history of cumulative net losses, estimated future taxable income, and prudent and feasible tax planning strategies and has concluded that it is more likely than not that the Company will not realize the benefits of its net deferred tax assets.

Accordingly, a full valuation allowance has been established against these net deferred tax assets as of December 31, 2025 and June 30, 2026.

15. Segments

The Company's operations are all in the United States. The Company operates and manages its business as a single operating and reportable segment. Factors considered in determining operating and reportable segments include the organization of the business, the nature of technology and the information reviewed by the Company's chief operating decision maker (CODM). The Company's CODM is our CEO.

Operating segments are defined as components of an enterprise for which discrete financial information is available and is evaluated regularly by the CODM on a condensed consolidated basis, in deciding how to allocate resources and assess performance. The Company's revenues are derived from research collaboration and license agreements, which are further described in Note 9 — Significant Agreements. Condensed consolidated net loss is used by the CODM to make key operating decisions, such as the determination of the rate at which the Company seeks to grow its research and development initiatives and the allocation of capital between research and development and general and administrative expenses. The CODM does not receive asset information other than what is presented on the condensed consolidated balance sheets.

The following table presents financial information, including significant segment expenses, which are regularly provided to the CODM and included within condensed consolidated net loss (in thousands):

	Six months ended June 30,	
	2025	**2026**
Collaboration revenue:		
Ocular (Bausch + Lomb)	$ 3,567	$ 2,845
CNS (Biogen)	2,011	3,513
Total collaboration revenue	5,578	6,358
Research and development expenses:		
CITY-FXI	6,217	5,565
CITY-RBP4	2,519	6,337
CITY-TFR2	516	3,543
Ocular	1,053	734
CNS	1,115	1,182
Undisclosed programs	—	1,409
Personnel-related research and development expenses (including stock-based compensation expense of $442 and $1,316 for 2025 and 2026, respectively)	5,168	11,071

CITY THERAPEUTICS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(UNAUDITED)

15. Segments (Continued)

	Six months ended June 30,	
	2025	**2026**
Other indirect research and development expenses[1]	7,787	16,478
Total research and development expenses	24,375	46,319
General and administrative expenses:		
Personnel-related expenses (including stock-based compensation expense of $1,055 and $3,601 for 2025 and 2026, respectively)	3,174	5,800
Other general and administrative expenses[2]	4,622	5,370
Total general and administrative expenses	7,796	11,170
Other segment items, net[3]	(2,311)	2,312
Net loss and comprehensive loss	$(24,282)	$(53,443)

(1) Other indirect research and development expenses consist of platform research costs, and laboratory supplies, equipment, facility-related expenses and other general research costs that are not specifically attributable to an individual research program.

(2) Other general and administrative expenses consist of professional fees, facilities, depreciation, information technology and other general and administrative costs that are not personnel-related.

(3) Other segment items, net consists of interest income, interest expense and other expense, net.

16. Net Loss Per Share

Under the two-class method, basic net loss per share is calculated by dividing the net loss attributable to common stockholders by the weighted average number of shares of common stock outstanding during the period, without consideration for potentially dilutive securities. The net loss available to common stockholders was not allocated to the convertible preferred stock as the holders did not have a contractual obligation to share in losses. Diluted net loss per share is the same as basic net loss per share for the periods presented since the effects of any potentially dilutive securities would be antidilutive given the net loss of the Company.

	Six months ended June 30,	
	2025	**2026**
Numerator:		
Net loss attributable to common stockholders – basic and diluted	$ (24,282)	$ (53,443)
Denominator:		
Weighted-average common shares outstanding – basic and diluted	4,400,329	6,461,444
Net loss per common share – basic and diluted	$ (5.52)	$ (8.27)

For accounting purposes, the computation of basic and diluted weighted-average common shares outstanding for the six months ended June 30, 2025 and 2026, excludes all shares of unvested restricted common stock as such shares are not considered outstanding. See Note 12 — Stock-Based Compensation, for more information.

Correction to Previously Issued Financial Statements

The Company previously did not include shares in the basic and diluted weighted-average shares outstanding related to certain early-exercised performance-based share awards that vested during the

CITY THERAPEUTICS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(UNAUDITED)

16. Net Loss Per Share (Continued)

six months ended June 30, 2026. As a result of the correction, there was an increase to the weighted-average shares outstanding for this period. The Company assessed the materiality of the change in the calculation of net loss per share, considering both quantitative and qualitative factors, and concluded that the effects of the change to the calculation and presentation of net loss per share are not material to six months ended June 30, 2026. However, the Company has revised its presentation of net loss per share previously included in the Company's condensed consolidated financial statements for the correction of this error. All amounts have been updated to reflect the effects of the correction in the financial statements and related notes, as applicable. The following table summarizes the impact of the revision on both the weighted-average shares outstanding and net loss per share for the six months ended June 30, 2026:

	As reported	Adjustment	As revised
Weighted-average shares outstanding – basic and diluted	6,160,990	300,454	6,461,444
Net loss per common share – basic and diluted	$ (8.67)	$ 0.40	$ (8.27)

The following outstanding potentially dilutive securities have been excluded from the calculation of diluted net loss per share attributable to common stockholders, as their effect is antidilutive:

	Six months ended June 30,	
	2025	2026
Series Seed convertible preferred stock (as-converted basis)	4,544,990	4,544,990
Series A convertible preferred stock (as-converted basis)	13,996,318	13,996,318
Series B convertible preferred stock (as-converted basis)	—	6,801,318
Series B-1 convertible preferred stock (as-converted basis)	—	924,030
Unvested restricted stock	1,895,344	1,788,606
Stock options issued and outstanding	4,341,602	4,920,950
Total	24,778,254	32,976,212

The potentially dilutive securities related to the Biogen Note and B+L Note were excluded from the table above for the six months ended June 30, 2025 and the potentially dilutive securities related to the Biogen Note were excluded from the table above for the six months ended June 30, 2026, as the number of shares that would be issuable upon conversion was indeterminable. See Note 5 — Convertible Notes, for more information.

17. Related Party Transactions

Alexandria Real Estate Equities, Inc.

For the six months ended June 30, 2025 and 2026, the Company recognized $2.2 million and $4.4 million, respectively, in rent and facility-related fees to a subsidiary of Alexandria Real Estate Equities, Inc., a related party, in connection with leasing its headquarters at 399 Binney Street. No payments were made to Alexandria Venture Investments, LLC, an investor in the Company, holding shares of Series A convertible preferred stock for the six months ended June 30, 2025 and 2026.

CITY THERAPEUTICS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(UNAUDITED)

17. Related Party Transactions (Continued)

Company Founder Consulting Agreement

During the six months ended June 30, 2025 and 2026, the Company recognized expenses of $0.1 million and $0.1 million, respectively, to one of the Company's founders, who is a member of the Company's Board, for consulting services.

18. Subsequent Events

The Company has evaluated subsequent events from the balance sheet date through August 21, 2026, the date at which the condensed consolidated financial statements were available to be issued, and through September 24, 2026, the date the consolidated financial statements were available to be reissued, and determined there are no events subject to additional disclosure, other than those disclosed below.

Option Grants

During the period from July 1, 2026 through August 21, 2026, the Company granted an aggregate of 900,000 stock options to employees and non-employee consultants under the 2023 Plan with exercise prices ranging from $8.66 to $9.99. The Company also granted an aggregate of 100,000 shares of restricted common stock to non-employee consultants under the 2023 Plan. The Company is evaluating the accounting impact of these grants.

Shares

Common Stock

Preliminary Prospectus

Goldman Sachs & Co. LLC **Jefferies** **Stifel**

Oppenheimer & Co.

Until , 2026 (25 days after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

, 2026

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Unless otherwise indicated, all references to "City," "City Therapeutics," the "company," "we," "our," "us" or similar terms refer to City Therapeutics, Inc. and its wholly owned subsidiary, or either or both of them as the context may require.

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth all expenses to be paid by us, other than underwriting discounts and commissions, in connection with this offering. All amounts shown are estimates except for the Securities and Exchange Commission ("SEC") registration fee, the Financial Industry Regulatory Authority, Inc. ("FINRA") filing fee and The Nasdaq Stock Market ("Nasdaq") listing fee.

SEC registration fee	$13,810
FINRA filing fee	15,500
Nasdaq listing fee	*
Printing and mailing expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Custodian transfer agent and registrar fees and expenses	*
Miscellaneous expenses	*
Total	$ *

* To be provided by amendment.

Item 14. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law (the "DGCL") authorizes a corporation to indemnify its directors and officers against liabilities arising out of actions, suits and proceedings to which they are made or threatened to be made a party by reason of the fact that they have served or are currently serving as a director or officer to a corporation. The indemnity may cover expenses (including attorneys' fees) judgments, fines, and amounts paid in settlement actually and reasonably incurred by the director or officer in connection with any such action, suit or proceeding. Section 145 permits corporations to pay expenses (including attorneys' fees) incurred by directors and officers in advance of the final disposition of such action, suit or proceeding. In addition, Section 145 provides that a corporation has the power to purchase and maintain insurance on behalf of its directors and officers against any liability asserted against them and incurred by them in their capacity as a director or officer, or arising out of their status as such, whether or not the corporation would have the power to indemnify the director or officer against such liability under Section 145.

We will adopt provisions in our amended and restated certificate of incorporation, which will become effective immediately prior to the completion of this offering, and the amended and restated bylaws, which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part, that limit or eliminate the personal liability of our directors and officers to the fullest extent permitted by the DGCL, as it now exists or may in the future be amended. Consequently, our directors and officers will not be personally liable to us or our stockholders for monetary damages or breach of fiduciary duty as directors or officers, except for liability for:

- any breach of their duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- for our directors, any unlawful payments related to dividends or unlawful stock purchases, redemptions or other distributions;

- any transaction from which they derived an improper personal benefit; or
- for our officers, any derivative action by or in the right of the corporation.

These limitations of liability do not alter director and officer liability under the federal securities laws and do not affect the availability of equitable remedies such as an injunction or rescission.

In addition, our amended and restated bylaws will provide that:

- we will indemnify our directors, officers and, in the discretion of our board of directors, certain employees to the fullest extent permitted by the DGCL, as it now exists or may in the future be amended; and
- we will advance reasonable expenses, including attorneys' fees, to our directors and, in the discretion of our board of directors, to our officers and certain employees, in connection with legal proceedings relating to their service for or on behalf of us, subject to limited exceptions.

We have entered into or intend to enter into indemnification agreements with each of our directors and executive officers. These agreements provide that we will indemnify each of our directors, our executive officers and, at times, their affiliates to the fullest extent permitted by Delaware law. We will advance expenses, including attorneys' fees (but excluding judgments, fines and settlement amounts), to each indemnified director, executive officer or affiliate in connection with any proceeding in which indemnification is available and we will indemnify our directors and officers for any action or proceeding arising out of that person's services as a director or officer brought on behalf of us or in furtherance of our rights. Additionally, certain of our directors or officers may have certain rights to indemnification, advancement of expenses or insurance provided by their affiliates or other third parties, which indemnification relates to and might apply to the same proceedings arising out of such director's or officer's services as a director referenced herein. Nonetheless, we have agreed in the indemnification agreements that our obligations to those same directors or officers are primary and any obligation of such affiliates or other third parties to advance expenses or to provide indemnification for the expenses or liabilities incurred by those directors are secondary.

We also maintain general liability insurance which covers certain liabilities of our directors and officers arising out of claims based on acts or omissions in their capacities as directors or officers, including liabilities under the Securities Act of 1933, as amended (the "Securities Act").

The underwriting agreement filed as Exhibit 1.1 to this registration statement provides for indemnification of us and our directors and officers by the underwriters against certain liabilities under the Securities Act and the Securities Exchange Act of 1934, as amended.

Item 15. Recent Sales of Unregistered Securities.

Set forth below is information regarding securities we have issued within the past three years that were not registered under the Securities Act.

(a) Convertible Promissory Notes

From July 2024 through May 2025, we issued convertible promissory notes with an aggregate principal amount of $40.0 million.

(b) Issuances of Capital Stock

Preferred Stock Issuances

From September 2023 through March 2024, we issued and sold to certain accredited investors an aggregate of 4,544,990 shares of our Series Seed convertible preferred stock at a purchase price of $1.00 per share, for aggregate gross proceeds of approximately $4.5 million.

From April 2024 through December 2024, we issued and sold to certain accredited investors an aggregate of 13,435,354 shares of our Series A convertible preferred stock at a purchase price of

$10.0295 per share, for aggregate gross proceeds of approximately $134.7 million. During this period, we also issued an aggregate of 560,964 shares of our Series A convertible preferred stock upon the conversion of outstanding convertible promissory notes and related accrued interest at a conversion price of $9.02655 per share.

From May 2026 through June 2026, we issued and sold to certain accredited investors an aggregate of 6,801,318 shares of our Series B convertible preferred stock at a purchase price of $14.6295 per share, for aggregate gross proceeds of approximately $99.5 million. During this period, we also issued an aggregate of 924,030 shares of our Series B convertible preferred stock upon the conversion of outstanding convertible promissory notes and related accrued interest at a conversion price of $12.4351 per share.

Common Stock Issuances

Since August 2023, we have issued and sold by exchange to our founders an aggregate of 5,319,148 shares of restricted common stock pursuant to stock purchase agreements for an insignificant amount of cash consideration.

From October 2023 through April 2024, we issued an aggregate of 596,582 shares of our common stock to the Ohio State Innovation Foundation in connection with the exclusive license agreement.

In July 2026, we issued and sold by exchange to certain of our consultants an aggregate of 100,000 shares of restricted common stock pursuant to stock purchase agreements for an insignificant amount of cash consideration.

The offers, sales and issuances of the securities described above were deemed to be exempt under Section 4(a)(2) of the Securities Act or Rule 506 of Regulation D under the Securities Act as a transaction by an issuer not involving a public offering. The recipients of securities in each of these transactions acquired the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the securities issued in these transactions. Each of the recipients of securities in these transactions was an accredited investor within the meaning of Rule 501 of Regulation D under the Securities Act and had adequate access, through employment, business or other relationships, to information about us. No underwriters were involved in these transactions.

(c) Grants and Exercises of Stock Options

Since February 2024, we have granted certain of our employees, consultants, and directors options to purchase an aggregate of 8,774,948 shares of our common stock under our 2023 Stock Plan, as amended from time to time (the “2023 Plan”), at exercise prices ranging from $0.08 to $9.99 per share.

Since January 2025, options to purchase an aggregate of 2,931,424 shares of our common stock under our 2023 Plan have been exercised at a weighted average exercise price of $1.07 per share.

The offers, sales and issuances of the securities described above were deemed to be exempt from registration under Rule 701 promulgated under the Securities Act as transactions under compensatory benefit plans and contracts relating to compensation, or under Section 4(a)(2) of the Securities Act as a transaction by an issuer not involving a public offering. The recipients of such securities were our directors, employees or bona fide consultants and received the securities under our equity incentive plans. Appropriate legends were affixed to the securities issued in these transactions. Each of the recipients of securities in these transactions had adequate access, through employment, business or other relationships, to information about us.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

Exhibit Number	Description
1.1*	Form of Underwriting Agreement.
3.1	Amended and Restated Certificate of Incorporation of the Registrant, as amended and currently in effect.
3.2*	Form of Second Amended and Restated Certificate of Incorporation of the Registrant, to be in effect immediately prior to the completion of this offering.
3.3	Bylaws of the Registrant, as currently in effect.
3.4*	Form of Amended and Restated Bylaws of the Registrant, to be in effect as of the effectiveness of the registration statement of which this prospectus forms a part.
4.1	Specimen Common Stock Certificate.
4.2+	Amended and Restated Investors' Rights Agreement, by and between the Registrant and certain of its stockholders, dated as of May 20, 2026.
5.1*	Opinion of Goodwin Procter LLP.
10.1#	City Therapeutics, Inc. 2023 Stock Plan, as amended, and form of award agreements thereunder.
10.2*#	City Therapeutics, Inc. 2026 Stock Option and Incentive Plan and form of award agreements thereunder.
10.3*#	City Therapeutics, Inc. 2026 Employee Stock Purchase Plan.
10.4#	Form of Indemnification Agreement by and between the Registrant and each of its directors.
10.5#	Form of Indemnification Agreement by and between the Registrant and each of its executive officers.
10.6*#	Senior Executive Cash Incentive Bonus Plan.
10.7*#	Non-Employee Director Compensation Policy.
10.8*#	Compensation Recovery Policy.
10.9*#	Executive Severance Plan, and form of participation letter thereunder.
10.10†+	Research Collaboration and License Agreement, by and between Biogen MA Inc. and the Registrant, dated as of May 23, 2025.
10.11†+	Research Collaboration and License Agreement, by and between Bausch + Lomb Ireland Limited and the Registrant, dated as of July 8, 2024.
10.12†+	Exclusive License Agreement, by and between the Ohio State Innovation Foundation and the Registrant, dated as of October 30, 2023, as amended by Amendment No. 1, dated as of February 8, 2024, Amendment No. 2, dated as of April 3, 2025, Amendment No. 3, dated as of May 13, 2025, Amendment No. 4, dated as of July 4, 2025, and Amendment No. 5, dated as of August 26, 2025.
10.13#+	Consulting Agreement, by and between John Maraganore, Ph.D. and the Registrant, dated as of August 14, 2023.
10.14#	Executive Chair Agreement, by and between John Maraganore, Ph.D. and the Registrant, dated as of November 10, 2023, as amended by Amendment No. 1, dated April 17, 2024.
10.15#+	Employment Agreement, by and between Andrew Orth, M.B.A. and the Registrant, dated as of November 9, 2024.
10.16#+	Employment Agreement, by and between Baisong Mei, M.D., Ph.D. and the Registrant, dated as of March 21, 2025.
10.17#+	Employment Agreement, by and between Tracy Zimmermann, Ph.D. and the Registrant, dated as of May 8, 2024.

Exhibit Number	Description
10.18+	Lease Agreement, by and between ARE-MA REGION NO. 58, LLC and the Registrant, dated as of December 19, 2023, as amended.
21.1	Subsidiaries of the Registrant.
23.1	Consent of PricewaterhouseCoopers LLP, independent registered public accounting firm.
23.2*	Consent of Goodwin Procter LLP (included in Exhibit 5.1).
24.1	Power of Attorney (included on signature page).
107	Filing Fee Table.

* To be filed by amendment.

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

† Certain portions of this document that constitute confidential information have been redacted pursuant to Item 601(b)(10) of Regulation S-K.

\+ Certain exhibits and schedules to these agreements have been omitted pursuant to Item 601(a)(5) and (6) of Regulation S-K. The registrant will furnish copies of any of the exhibits and schedules to the Securities and Exchange Commission upon request.

(b) Financial Statement Schedules.

All financial statement schedules are omitted because the information required to be set forth therein is not applicable or is shown in the audited consolidated financial statements or the notes thereto.

Item 17. Undertakings.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The registrant hereby undertakes that:

(a) The Registrant will provide to the underwriter at the closing as specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

(b) For purposes of determining any liability under the Securities Act, as amended, the information omitted from a form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in the form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act, as amended, shall be deemed to be part of this registration statement as of the time it was declared effective.

(c) For the purpose of determining any liability under the Securities Act, as amended, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Cambridge, Massachusetts, on the 24th of September, 2026.

CITY THERAPEUTICS, INC.

By /s/ Andrew Orth, M.B.A.
Name: Andrew Orth, M.B.A.
Title: President and Chief Executive Officer

POWER OF ATTORNEY AND SIGNATURES

Each individual whose signature appears below hereby constitutes and appoints Andrew Orth, M.B.A., and Keith Regnante, M.B.A., as such person's true and lawful attorney-in-fact and agent with full power of substitution and resubstitution, for such person in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement (or any Registration Statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933), and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission granting unto each said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as such person might or could do in person, hereby ratifying and confirming all that any said attorney-in-fact and agent, or any substitute or substitutes of any of them, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement and Power of Attorney has been signed by the following person in the capacities and on the date indicated.

Signature	Title	Date
/s/ Andrew Orth, M.B.A. Andrew Orth, M.B.A.	President, Chief Executive Officer and Director (*Principal Executive Officer*)	September 24, 2026
/s/ Keith Regnante, M.B.A. Keith Regnante, M.B.A.	Chief Financial Officer (*Principal Financial and Accounting Officer*)	September 24, 2026
/s/ John Maraganore, Ph.D. John Maraganore, Ph.D.	Executive Chair and Director	September 24, 2026
/s/ Barry Greene Barry Greene	Director	September 24, 2026
/s/ Robert Nelsen, M.B.A. Robert Nelsen, M.B.A.	Director	September 24, 2026
/s/ Saraswathy V. Nochur, Ph.D. Saraswathy V. Nochur, Ph.D.	Director	September 24, 2026
/s/ Ron Philip Ron Philip	Director	September 24, 2026

Exhibit 3.1

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
CITY THERAPEUTICS, INC.

(Pursuant to Sections 242 and 245 of the
General Corporation Law of the State of Delaware)

City Therapeutics, Inc., a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "**General Corporation Law**"),

DOES HEREBY CERTIFY:

1. That the name of this corporation is City Therapeutics, Inc., and that this corporation was originally incorporated pursuant to the General Corporation Law on July 17, 2023.

2. That the Board of Directors of this corporation (the "**Board of Directors**") duly adopted resolutions proposing to amend and restate the Certificate of Incorporation of this corporation, declaring said amendment and restatement to be advisable and in the best interests of this corporation and its stockholders, and authorizing the appropriate officers of this corporation to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment and restatement is as follows:

RESOLVED, that the Certificate of Incorporation of this corporation be amended and restated in its entirety to read as follows:

FIRST: The name of this corporation is City Therapeutics, Inc. (the "**Corporation**").

SECOND: The address of the registered office of the Corporation in the State of Delaware is 3500 South DuPont Highway in the City of Dover, County of Kent, 19901. The name of its registered agent at such address is Incorporating Services, Ltd.

THIRD: The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law.

FOURTH: The total number of shares of all classes of stock which the Corporation shall have authority to issue is (i) 41,000,000 shares of Common Stock, $0.0001 par value per share ("**Common Stock**") and (ii) 26,266,656 shares of Preferred Stock, $0.0001 par value per share ("**Preferred Stock**").

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

A. COMMON STOCK

1. General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights, powers and preferences of the holders of the Preferred Stock set forth herein.

2. Voting. The holders of the Common Stock are entitled to one vote for each share of Common Stock held at all meetings of stockholders (and written actions in lieu of meetings); provided, however, that, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Amended and Restated Certificate of Incorporation that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Amended and Restated Certificate of Incorporation or pursuant to the General Corporation Law. There shall be no cumulative voting. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by (in addition to any vote of the holders of one or more series of Preferred Stock that may be required by the terms of this Amended and Restated Certificate of Incorporation) the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

B. PREFERRED STOCK

4,544,990 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series Seed Preferred Stock**", 13,996,318 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series A Preferred Stock**", 924,030 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series B-1 Preferred Stock**" and 6,801,318 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series B Preferred Stock**", with the following rights, preferences, powers, privileges and restrictions, qualifications and limitations. Unless otherwise indicated, references to "Sections" in this Part B of this Article Fourth refer to sections of Part B of this Article Fourth. References to "**Preferred Stock**" mean, collectively, the Series Seed Preferred Stock, Series A Preferred Stock, Series B-1 Preferred Stock and Series B Preferred Stock.

1. Dividends. The holders of then outstanding shares of Preferred Stock shall be entitled to receive, only when, as and if declared by the Board of Directors, out of any funds and assets legally available therefor, dividends at the rate of 8% of the Original Issue Price (as defined below) for each share of Preferred Stock, prior and in preference to any declaration or payment of any other dividend (other than dividends on shares of Common Stock payable in shares of Common Stock). The right to receive dividends on shares of Preferred Stock pursuant to the preceding sentence of this Section 1 shall not be cumulative, and no right to dividends shall accrue to holders of Preferred Stock by reason of the fact that dividends on said shares are not declared. The Corporation shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Corporation (other than dividends on shares of Common Stock payable in shares of Common Stock) unless (in addition to the obtaining of any consents required elsewhere in this Amended and Restated Certificate of Incorporation) the holders of the Preferred Stock then outstanding shall first receive, or simultaneously receive, in addition to the dividends payable pursuant to the first sentence of this Section 1, a dividend on each outstanding share of Preferred Stock in an amount at least equal to (i) in the case of a dividend on Common Stock or any class or series that is convertible into Common Stock, that dividend per share of Preferred Stock as would equal the product of (A) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Stock and (B) the number of shares of Common Stock issuable upon conversion of a share of Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (ii) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Preferred Stock determined by (A) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such class or series) and (B) multiplying such fraction by an amount equal to the Original Issue Price (as defined below); provided that, if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one class or series of capital stock of the Corporation, the dividend payable to the holders of Preferred Stock pursuant to this Section 1 shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest Preferred Stock dividend. The "**Original Issue Price**" shall mean, with respect to the Series Seed Preferred Stock, $1.0000 per share, with respect to the Series A Preferred Stock, $10.0295 per share, with respect to the Series B-1 Preferred Stock, $12.4351 per share and with respect to the Series B Preferred Stock, $14.6295 per share, each subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the applicable Preferred Stock.

2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

2.1 Preferential Payments to Holders of Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders, and in the event of a Deemed Liquidation Event (as defined below), the holders of shares of Preferred Stock then outstanding shall be entitled to be paid out of the consideration payable to stockholders in such Deemed Liquidation Event or out of the Available Proceeds (as defined below), as applicable, on a *pari passu* basis based on their relative Liquidation Amounts (as defined below) and before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount per share of each such series of Preferred Stock equal to the applicable Original Issue Price for such series of Preferred Stock, plus any dividends declared but unpaid thereon (the amount payable pursuant to this sentence is hereinafter referred to as the "**Liquidation Amount**"). If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Preferred Stock the full amount to which they shall be entitled under this Section 2.1, the holders of shares of Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.2 Payments to Holders of Common Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after the payment in full of all Liquidation Amounts required to be paid to the holders of shares of Preferred Stock, the remaining assets of the Corporation available for distribution to its stockholders or, in the case of a Deemed Liquidation Event, the consideration not payable to the holders of shares of Preferred Stock pursuant to Section 2.1 or the remaining Available Proceeds, as the case may be, shall be distributed among the holders of shares of Common Stock, pro rata based on the number of shares of Common Stock held by each such holder. Notwithstanding the above, for purposes of determining the amount each holder of shares of Preferred Stock is entitled to receive with respect to a Deemed Liquidation Event, liquidation, dissolution or winding up, each such holder of shares of a series of Preferred Stock shall be deemed to have converted (regardless of whether such holder actually converted) such holder's shares of such series into shares of Common Stock immediately prior to the Deemed Liquidation Event, liquidation, dissolution or winding up if, as a result of an actual conversion, such holder would receive, in the aggregate, an amount greater than the amount that would be distributed to such holder if such holder did not convert such series of Preferred Stock into shares of Common Stock. If any such holder shall be deemed to have converted shares of Preferred Stock into Common Stock pursuant to this paragraph, then such holder shall not be entitled to receive any distribution that would otherwise be made to holders of Preferred Stock that have not converted (or have not been deemed to have converted) into shares of Common Stock.

2.3 Deemed Liquidation Events.

2.3.1 Definition. Each of the following events shall be considered a "**Deemed Liquidation Event**" unless the holders of at least a majority of the outstanding shares of Preferred Stock, voting together as a single class on an as-converted to Common Stock basis, which majority must include the Specified Holders (as defined in that certain Amended and Restated Voting Agreement, dated as of May 20, 2026, by and among the Corporation and the other parties thereto, as may be amended from time to time (the "**Voting Agreement**")) (the "**Requisite Holders**") elect otherwise by written notice sent to the Corporation at least five days prior to the effective date of any such event:

(a) a merger, consolidation, statutory conversion, transfer of the Corporation, domestication, or continuance in which

(i) the Corporation is a constituent party or

(ii) a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger, consolidation, statutory conversion, transfer of the Corporation, domestication, or continuance,

except any such merger, consolidation, statutory conversion, transfer of the Corporation, domestication, or continuance involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger, consolidation, statutory conversion, transfer of the Corporation, domestication, or continuance continue to represent, or are converted into or exchanged for shares of capital stock or other equity interests that represent, immediately following such merger, consolidation, statutory conversion, transfer of the Corporation, domestication, or continuance, a majority, by voting power, of the capital stock or other equity interests of (1) the surviving or resulting corporation or entity; or (2) if the surviving or resulting corporation or entity is a wholly owned subsidiary of another corporation or entity immediately following such merger, consolidation, statutory conversion, transfer of the Corporation, domestication, or continuance, the parent corporation or entity of such surviving or resulting corporation or entity; or

(b) (1) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole, or (2) the sale, lease, transfer, exclusive license or other disposition (whether by merger, consolidation, statutory conversion, transfer of the Corporation, domestication, or continuance or otherwise, and whether in a single transaction or a series of related transactions) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation.

Notwithstanding the foregoing, the sale of shares of Preferred Stock or Common Stock in a bona fide financing transaction shall not be deemed a Deemed Liquidation Event.

2.3.2 Effecting a Deemed Liquidation Event.

(a) The Corporation shall not have the power to effect a Deemed Liquidation Event referred to in Section 2.3.1(a)(i) unless the agreement or plan with respect to such transaction, or terms of such transaction (any such agreement, plan or terms, the "**Merger Agreement**") provides that the consideration payable to the stockholders of the Corporation in such Deemed Liquidation Event shall be allocated to the holders of capital stock of the Corporation in accordance with Sections 2.1 and 2.2.

(b) In the event of a Deemed Liquidation Event referred to in Section 2.3.1(a)(ii) or 2.3.1(b), if the Corporation does not effect a dissolution of the Corporation under the General Corporation Law within 90 days after such Deemed Liquidation Event, then (i) the Corporation shall send a written notice to each holder of Preferred Stock no later than the 90th day after the Deemed Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause (ii) to require the redemption of such shares of Preferred Stock, and (ii) if the Requisite Holders so request in a written instrument delivered to the Corporation not later than 120 days after such Deemed Liquidation Event, the Corporation shall use the consideration received by the Corporation for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Board of Directors), together with any other assets of the Corporation available for distribution to its stockholders, all to the extent permitted by Delaware law governing distributions to stockholders (the "**Available Proceeds**"), on the 150th day after such Deemed Liquidation Event (such date being the "**Redemption Date**"), to redeem all outstanding shares of Preferred Stock at a price per share equal to the applicable Liquidation Amount. Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if the Available Proceeds are not sufficient to redeem all outstanding shares of Preferred Stock, the Corporation shall redeem a pro rata portion of each holder's shares of Preferred Stock to the fullest extent of such Available Proceeds, based on the respective amounts which would otherwise be payable in respect of the shares to be redeemed if the Available Proceeds were sufficient to redeem all such shares, and shall redeem the remaining shares as soon as it may lawfully do so under Delaware law governing distributions to stockholders. On or before the applicable Redemption Date, each holder of shares of Preferred Stock to be redeemed on such Redemption Date, unless such holder has previously exercised his, her or its right to convert such shares as provided in Section 4, shall, if such holder's shares are certificated, surrender the certificate or certificates representing such shares (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate (the "**Lost Certificate Documentation**")) to the Corporation, as requested in writing by the Corporation, and thereupon the applicable Liquidation Amount for such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof. In the event less than all of the shares of Preferred Stock represented by a certificate are redeemed, a new certificate representing the unredeemed shares of Preferred Stock shall promptly be issued to such holder. Prior to the distribution or redemption provided for in this Section 2.3.2(b), the Corporation shall not expend or dissipate the consideration received for such Deemed Liquidation Event, except to discharge expenses incurred in connection with such Deemed Liquidation Event or in the ordinary course of business.

2.3.3 Amount Deemed Paid or Distributed. The amount deemed paid or distributed to the holders of capital stock of the Corporation upon any such merger, consolidation, sale, transfer, exclusive license, other disposition or redemption shall be the cash or the value of the property, rights or securities to be paid or distributed to such holders pursuant to such Deemed Liquidation Event. The value of such property, rights or securities shall be determined in good faith by the Board of Directors, including a majority of the Preferred Directors (as defined below) then seated.

2.3.4 Allocation of Escrow and Contingent Consideration. In the event of a Deemed Liquidation Event pursuant to Section 2.3.1(a)(i), if any portion of the consideration payable to the stockholders of the Corporation is payable only upon satisfaction of contingencies (the "**Additional Consideration**"), the Merger Agreement shall provide that (a) the portion of such consideration that is not Additional Consideration (such portion, the "**Initial Consideration**") shall be allocated among the holders of capital stock of the Corporation in accordance with Sections 2.1 and 2.2 as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event; and (b) any Additional Consideration which becomes payable to the stockholders of the Corporation upon satisfaction of such contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Sections 2.1 and 2.2 after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Section 2.3.4, consideration placed into escrow or retained as a holdback to be available for satisfaction of indemnification or similar obligations in connection with such Deemed Liquidation Event shall be deemed to be Additional Consideration.

3. Voting.

3.1 General. On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of meeting), each holder of outstanding shares of Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Preferred Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Except as provided by law or by the other provisions of this Amended and Restated Certificate of Incorporation, holders of Preferred Stock shall vote together with the holders of Common Stock as a single class and on an as-converted to Common Stock basis.

3.2 Election of Directors. The holders of record of the shares of Preferred Stock, voting together as a class on an as-converted basis, shall be entitled to elect three directors of the Corporation (each, a "**Preferred Director**"), and the holders of record of the shares of Common Stock, voting together as a class, shall be entitled to elect two directors of the Corporation. Any director elected as provided in the preceding sentence may be removed without cause by, and only by, the affirmative vote of the holders of the shares of the class or series of capital stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders. If the holders of shares of Common Stock and Preferred Stock, as the case may be, fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors, voting exclusively and as a separate class, pursuant to the first sentence of this Section 3.2, then any directorship not so filled shall remain vacant until such time as such holders elect a person to fill such directorship by vote or written consent in lieu of a meeting; and no such directorship may be filled by stockholders of the Corporation other than by the stockholders of the Corporation that are entitled to elect a person to fill such directorship, voting exclusively and as a separate class. The holders of record of the shares of Common Stock and of any other class or series of voting stock (including the Preferred Stock), exclusively and voting together as a single class on an as-converted basis, shall be entitled to elect the balance of the total number of directors of the Corporation. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director. Except as otherwise provided in this Section 3.2, a vacancy in any directorship filled by the holders of any class or classes or series shall be filled only by vote or written consent in lieu of a meeting of the holders of such class or classes or series or by any remaining director or directors elected by the holders of such class or classes or series pursuant to this Section 3.2. Notwithstanding the provisions of Section 223(a)(1) and 223(a)(2) of the General Corporation Law, any vacancy, including newly created directorships resulting from any increase in the authorized number of directors or amendment of the Certificate of Incorporation, and vacancies created by removal or resignation of a director, may be filled by a majority of the directors then in office, though less than a quorum and whether or not elected by the same class or series of stock as is entitled to vote for the election of the directors to fill such vacancy, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced; provided, however, that where such vacancy occurs among the directors elected by the holders of a class or series of stock, the holders of shares of such class or series may override the Board's action to fill such vacancy by removing any person so appointed by the Board at any time and electing their own designee.

3.3 Preferred Stock Protective Provisions. At any time when at least 5,253,332 shares of Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Preferred Stock) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation, domestication, transfer, continuance, recapitalization, reclassification, waiver, statutory conversion or otherwise, do any of the following without (in addition to any other vote required by law or this Amended and Restated Certificate of Incorporation) the written consent or affirmative vote of the Requisite Holders given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect; provided, however, that a consent or resolution of the Board of Directors approving any of the following items that is contingent upon receipt of the stockholder consent required pursuant to this Section 3.3 shall not, solely by reason thereof, be deemed to be an action or transaction entered into in violation hereof.

3.3.1 liquidate, dissolve or wind-up the business and affairs of the Corporation or effect any merger or consolidation or any other Deemed Liquidation Event, or consent to any of the foregoing;

3.3.2 amend, alter or repeal any provision of this Amended and Restated Certificate of Incorporation or Bylaws of the Corporation;

3.3.3 (i) create, or authorize the creation of, or issue or obligate itself to issue shares of, or reclassify, any capital stock, or create or issue or obligate itself to issue any other security convertible into or exercisable for any equity security, unless the same ranks junior to the Preferred Stock with respect to its rights, preferences and privileges, or (ii) increase the authorized number of shares of Preferred Stock or any additional class or series of capital stock of the Corporation;

3.3.4 purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of capital stock of the Corporation other than (i) redemptions of or dividends or distributions on the Preferred Stock as expressly authorized herein, (ii) dividends or other distributions payable on the Common Stock solely in the form of additional shares of Common Stock and (iii) repurchases of stock from employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary upon the occurrence of certain events, such as (i) in connection with the cessation of such employment or service at no greater than the original purchase price thereof or (ii) pursuant to a right of first refusal or (iii) as approved by the Board of Directors;

3.3.5 create, adopt, amend, terminate or repeal any equity (or equity-linked) compensation plan;

3.3.6 create, or authorize the creation of, or issue, or authorize the issuance of any debt security or create any lien or security interest (except for purchase money liens or statutory liens of landlords, mechanics, materialmen, workmen, warehousemen and other similar persons arising or incurred in the ordinary course of business) or incur other indebtedness for borrowed money, including but not limited to obligations and contingent obligations under guarantees, or permit any subsidiary to take any such action with respect to any debt security lien, security interest or other indebtedness for borrowed money, other than equipment leases, bank lines of credit or trade payables incurred in the ordinary course or unless approved by the Board of Directors, including a majority of the Preferred Directors then seated; or

3.3.7 increase or decrease the size of the Board of Directors;

3.3.8 create, or hold capital stock in, any subsidiary that is not wholly owned (either directly or through one (1) or more other subsidiaries) by the Corporation, or permit any subsidiary to create, or authorize the creation of, or issue or obligate itself to issue, any shares of any class or series of capital stock, or sell, transfer or otherwise dispose of any capital stock of any direct or indirect subsidiary of the Corporation, or permit any direct or indirect subsidiary to sell, lease, transfer, exclusively license or otherwise dispose (in a single transaction or series of related transactions) of all or substantially all of the assets of such subsidiary.

3.4 Series B Preferred Stock Protective Provisions. At any time when at least 1,545,070 shares of Series B Preferred Stock and Series B-1 Preferred Stock in the aggregate (in each case subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Preferred Stock) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation, domestication, transfer, continuance, recapitalization, reclassification, waiver, statutory conversion or otherwise, do any of the following without (in addition to any other vote required by law or this Amended and Restated Certificate of Incorporation) the written consent or affirmative vote of the holders of at least 56% of the outstanding shares of Series B Preferred Stock and Series B-1 Preferred Stock, voting together as a separate class on an as-converted basis, which must include the written consent or affirmative vote of at least one of the Lead Purchasers (as defined in the Voting Agreement) (the "**Series B Requisite Holders**"), given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect; provided, however, that a consent or resolution of the Board of Directors approving any of the following items that is contingent upon receipt of the stockholder consent required pursuant to this Section 3.4 shall not, solely by reason thereof, be deemed to be an action or transaction entered into in violation hereof.

3.4.1 modify, amend or waive the rights, preferences or privileges of the Preferred Stock, the Series B Preferred Stock or the Series B-1 Preferred Stock so as to affect adversely any rights, preferences or privileges expressly and uniquely granted to the Series B Preferred Stock or Series B-1 Preferred Stock; provided, however, that the authorization of one or more additional series of Preferred Stock with a liquidation preference and/or other rights, preferences or privileges on parity with or senior to the Series B Preferred Stock or Series B-1 Preferred Stock, as the case may be, pursuant to a bona fide financing transaction shall not be deemed to affect adversely the rights, preferences or privileges of the Series B Preferred Stock or Series B-1 Preferred Stock;

3.4.2 increase or decrease the number of authorized shares of Series B Preferred Stock or Series B-1 Preferred Stock; or

3.4.3 purchase or redeem or pay any dividend on any capital stock other than stock repurchased from former employees and consultants in connection with the cessation of their service at the lower of fair market value or the original purchase price thereof.

3.5 Series A Preferred Stock Protective Provisions. At any time when at least 3,524,006 shares of Series A Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock) are outstanding the Corporation shall not, either directly or indirectly by amendment, merger, consolidation, domestication, transfer, continuance, recapitalization, reclassification, waiver, statutory conversion or otherwise, do any of the following without (in addition to any other vote required by law or this Amended and Restated Certificate of Incorporation) the written consent or affirmative vote of the holders of a majority of the outstanding shares of Series A Preferred Stock given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect; provided, however, that a consent or resolution of the Board of Directors approving any of the following items that is contingent upon receipt of the stockholder consent required pursuant to this Section 3.4 shall not, solely by reason thereof, be deemed to be an action or transaction entered into in violation hereof.

3.5.1 modify, amend or waive the rights, preferences or privileges of the Preferred Stock or the Series A Preferred Stock so as to affect adversely any rights, preferences or privileges expressly and uniquely granted to the Series A Preferred Stock; provided, however, that the authorization of one or more additional series of Preferred Stock with a liquidation preference and/or other rights, preferences or privileges on parity with or senior to the Series A Preferred Stock pursuant to a bona fide financing transaction shall not be deemed to affect adversely the rights, preferences or privileges of the Series A Preferred Stock;

3.5.2 increase or decrease the number of authorized shares of Series A Preferred Stock; or

3.5.3 purchase or redeem or pay any dividend on any capital stock other than stock repurchased from former employees and consultants in connection with the cessation of their service at the lower of fair market value or the original purchase price thereof.

4. Optional Conversion. The holders of the Preferred Stock shall have conversion rights as follows (the "**Conversion Rights**"):

4.1 Right to Convert.

4.1.1 Conversion Ratio. Each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing the applicable Original Issue Price by the applicable Conversion Price (as defined below) in effect at the time of conversion. The "**Conversion Price**" (i) applicable to the Series Seed Preferred Stock shall initially be equal to $1.0000, (ii) applicable to the Series A Preferred Stock shall initially be equal to $10.0295, (iii) applicable to the Series B-1 Preferred Stock shall initially be equal to $12.4351 and (iv) applicable to the Series B Preferred Stock shall initially be equal to $14.6295. Such initial Conversion Price, and the rate at which shares of Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

4.1.2 Termination of Conversion Rights. In the event of a liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, the Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Preferred Stock; provided that the foregoing termination of Conversion Rights shall not affect the amount(s) otherwise paid or payable in accordance with Section 2.1 to holders of Preferred Stock pursuant to such liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event.

4.2 Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the number of shares of Common Stock to be issued upon conversion of the Preferred Stock shall be rounded to the nearest whole share.

4.3 Mechanics of Conversion.

4.3.1 Notice of Conversion. In order for a holder of Preferred Stock to voluntarily convert shares of Preferred Stock into shares of Common Stock, such holder shall (a) provide written notice to the Corporation's transfer agent at the office of the transfer agent for the Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent) that such holder elects to convert all or any number of such holder's shares of Preferred Stock and, if applicable, any event on which such conversion is contingent and (b), if such holder's shares are certificated, surrender the certificate or certificates for such shares of Preferred Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, the Lost Certificate Documentation), at the office of the transfer agent for the Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent). Such notice shall state such holder's name or the names of the nominees in which such holder wishes the shares of Common Stock to be issued. If required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such notice and, if applicable, certificates (or the Lost Certificate Documentation) shall be the time of conversion (the "**Conversion Time**"), and the shares of Common Stock issuable upon conversion of the specified shares shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Conversion Time (i) issue and deliver to such holder of Preferred Stock, or to his, her or its nominees, a notice of issuance of uncertificated shares and may, upon written request, issue and deliver a certificate for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof and, may, if applicable and upon written request, issue and deliver a certificate for the number (if any) of the shares of Preferred Stock represented by any surrendered certificate that were not converted into Common Stock and (ii) pay all declared but unpaid dividends on the shares of Preferred Stock converted.

4.3.2 Reservation of Shares. The Corporation shall at all times when the Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to this Amended and Restated Certificate of Incorporation. Before taking any action which would cause an adjustment reducing the Conversion Price below the then par value of the shares of Common Stock issuable upon conversion of the Preferred Stock, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and non-assessable shares of Common Stock at such adjusted Conversion Price.

4.3.3 Effect of Conversion. All shares of Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor and to receive payment of any dividends declared but unpaid thereon. Any shares of Preferred Stock so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock accordingly.

4.3.4 No Further Adjustment. Upon any such conversion, no adjustment to the Conversion Price shall be made for any declared but unpaid dividends on the Preferred Stock surrendered for conversion or on the Common Stock delivered upon conversion.

4.3.5 Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Preferred Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

4.4 Adjustments to Conversion Price for Diluting Issues.

4.4.1 Special Definitions. For purposes of this Article Fourth, the following definitions shall apply:

(a) "**Additional Shares of Common Stock**" shall mean all shares of Common Stock issued (or, pursuant to Section 4.4.3 below, deemed to be issued) by the Corporation after the date upon which the first share of Series B Preferred Stock is issued (the "**Original Issue Date**"), other than (1) the following shares of Common Stock and (2) shares of Common Stock deemed issued pursuant to the following Options (as defined below) and Convertible Securities (as defined below) (clauses (1) and (2), collectively, "**Exempted Securities**"):

(i) as to any series of Preferred Stock shares of Common Stock, Options or Convertible Securities issued as a dividend or distribution on such series of Preferred Stock;

(ii) shares of Common Stock, Options or Convertible Securities issued by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock that is covered by Section 4.5, 4.6, 4.7 or 4.8**;**

(iii) shares of Common Stock or Options issued to employees or directors of, or consultants or advisors to, the Corporation or any of its subsidiaries pursuant to a plan, agreement or arrangement approved by the Board of Directors;

(iv) shares of Common Stock or Convertible Securities actually issued upon the exercise of Options or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security;

(v) shares of Common Stock, Options or Convertible Securities issued to banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leasing or real property leasing transaction approved by the Board of Directors;

(vi) shares of Common Stock, Options or Convertible Securities issued to suppliers or third party service providers in connection with the provision of goods or services pursuant to transactions approved by the Board of Directors;

(vii) shares of Common Stock, Options or Convertible Securities issued as acquisition consideration pursuant to the acquisition of another corporation by the Corporation by merger, purchase of substantially all of the assets or other reorganization or to a joint venture agreement, provided that such issuances are approved by the Board of Directors;

(viii) shares of Common Stock, Options or Convertible Securities issued in connection with sponsored research, collaboration, technology license, development, OEM, marketing or other similar agreements or strategic partnerships approved by the Board of Directors; or

(ix) shares of Common Stock issued in connection with a Qualified IPO (as defined below).

(b) "**Convertible Securities**" shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.

(c) "**Option**" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

4.4.2 No Adjustment of Conversion Price. No adjustment in the Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the Requisite Holders agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock. In addition, (i) no adjustment in the Conversion Price applicable to the Series A Preferred Stock shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of a majority of the outstanding shares of Series A Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock and (ii) no adjustment in the Conversion Price applicable to the Series B Preferred Stock shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the Series B Requisite Holders agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock.

4.4.3 Deemed Issue of Additional Shares of Common Stock.

(a) If the Corporation at any time or from time to time after the Original Issue Date shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempted Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

(b) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to the Conversion Price pursuant to the terms of Section 4.4.4, are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, the Conversion Price computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such Conversion Price as would have obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, no readjustment pursuant to this clause (b) shall have the effect of increasing the Conversion Price to an amount which exceeds the lower of (i) the Conversion Price in effect immediately prior to the original adjustment made as a result of the issuance of such Option or Convertible Security, or (ii) the Conversion Price that would have resulted from any issuances of Additional Shares of Common Stock (other than deemed issuances of Additional Shares of Common Stock as a result of the issuance of such Option or Convertible Security) between the original adjustment date and such readjustment date.

(c) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Exempted Securities), the issuance of which did not result in an adjustment to the Conversion Price pursuant to the terms of Section 4.4.4 (either because the consideration per share (determined pursuant to Section 4.4.5) of the Additional Shares of Common Stock subject thereto was equal to or greater than the Conversion Price then in effect, or because such Option or Convertible Security was issued before the Original Issue Date), are revised after the Original Issue Date as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any decrease in the consideration payable to the Corporation upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Shares of Common Stock subject thereto (determined in the manner provided in Section 4.4.3(a) shall be deemed to have been issued effective upon such increase or decrease becoming effective).

(d) Upon the expiration or termination of any unexercised Option or unconverted or unexchanged Convertible Security (or portion thereof) which resulted (either upon its original issuance or upon a revision of its terms) in an adjustment to the Conversion Price pursuant to the terms of Section 4.4.4, the Conversion Price shall be readjusted to such Conversion Price as would have obtained had such Option or Convertible Security (or portion thereof) never been issued.

(e) If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to the Conversion Price provided for in this Section 4.4.3 shall be effected at the time of such issuance or amendment based on such number of shares or amount of consideration without regard to any provisions for subsequent adjustments (and any subsequent adjustments shall be treated as provided in clauses (b) and (c) of this Section 4.4.3). If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, cannot be calculated at all at the time such Option or Convertible Security is issued or amended, any adjustment to the Conversion Price that would result under the terms of this Section 4.4.3 at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to the Conversion Price that such issuance or amendment took place at the time such calculation can first be made.

4.4.4 Adjustment of Conversion Price Upon Issuance of Additional Shares of Common Stock. In the event the Corporation shall at any time after the Original Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Section 4.4.3), without consideration or for a consideration per share less than the Conversion Price in effect immediately prior to such issuance or deemed issuance, then the Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

$$CP_2 = CP_1 * (A + B) \div (A + C).$$

For purposes of the foregoing formula, the following definitions shall apply:

(a) "CP_2" shall mean the Conversion Price in effect immediately after such issuance or deemed issuance of Additional Shares of Common Stock

(b) "CP_1" shall mean the Conversion Price in effect immediately prior to such issuance or deemed issuance of Additional Shares of Common Stock;

(c) "A" shall mean the number of shares of Common Stock outstanding immediately prior to such issuance or deemed issuance of Additional Shares of Common Stock (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issuance or deemed issuance or upon conversion or exchange of Convertible Securities (including the Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue);

(d) "B" shall mean the number of shares of Common Stock that would have been issued if such Additional Shares of Common Stock had been issued or deemed issued at a price per share equal to CP_1 (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CP_1); and

(e) "C" shall mean the number of such Additional Shares of Common Stock issued in such transaction.

4.4.5 Determination of Consideration. For purposes of this Section 4.4, the consideration received by the Corporation for the issuance or deemed issuance of any Additional Shares of Common Stock shall be computed as follows:

(a) Cash and Property. Such consideration shall:

(i) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation, excluding amounts paid or payable for accrued interest;

(ii) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors, including a majority of the Preferred Directors then seated; and

(iii) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (i) and (ii) above, as determined in good faith by the Board of Directors, including a majority of the Preferred Directors (as defined below) then seated.

(b) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Section 4.4.3, relating to Options and Convertible Securities, shall be determined by dividing:

(i) The total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

(ii) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

4.4.6 Multiple Closing Dates. In the event the Corporation shall issue on more than one date Additional Shares of Common Stock that are a part of one transaction or a series of related transactions and that would result in an adjustment to the Conversion Price pursuant to the terms of Section 4.4.4, and such issuance dates occur within a period of no more than 90 days from the first such issuance to the final such issuance, then, upon the final such issuance, the Conversion Price shall be readjusted to give effect to all such issuances as if they occurred on the date of the first such issuance (and without giving effect to any additional adjustments as a result of any such subsequent issuances within such period).

4.5 Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the Original Issue Date effect a subdivision of the outstanding shares of Common Stock, the Conversion Price in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. If the Corporation shall at any time or from time to time after the Original Issue Date combine the outstanding shares of Common Stock, the Conversion Price in effect immediately before the combination shall be proportionately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding. Any adjustment under this Section shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.6 Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time or from time to time after the Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable on the Common Stock in additional shares of Common Stock, then and in each such event the Conversion Price in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Conversion Price then in effect by a fraction:

(1) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(2) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

Notwithstanding the foregoing, (a) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Conversion Price shall be adjusted pursuant to this Section as of the time of actual payment of such dividends or distributions; and (b) that no such adjustment shall be made if the holders of Preferred Stock simultaneously receive a dividend or other distribution of shares of Common Stock in a number equal to the number of shares of Common Stock as they would have received if all outstanding shares of Preferred Stock had been converted into Common Stock on the date of such event.

4.7 Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time after the Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation (other than a distribution of shares of Common Stock in respect of outstanding shares of Common Stock) or in other property and the provisions of Section 1 do not apply to such dividend or distribution, then and in each such event the holders of Preferred Stock shall receive, simultaneously with the distribution to the holders of Common Stock, a dividend or other distribution of such securities or other property in an amount equal to the amount of such securities or other property as they would have received if all outstanding shares of Preferred Stock had been converted into Common Stock on the date of such event.

4.8 Adjustment for Merger or Reorganization, etc. Subject to the provisions of Section 2.3, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Corporation in which the Common Stock (but not the Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by Sections 4.4, 4.6 or 4.7), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of Preferred Stock shall thereafter be convertible in lieu of the Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock of the Corporation issuable upon conversion of one share of Preferred Stock immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors) shall be made in the application of the provisions in this Section 4 with respect to the rights and interests thereafter of the holders of the Preferred Stock, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of the Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the Preferred Stock.

4.9 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Section 4, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than ten days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Preferred Stock a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which the Preferred Stock is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any holder of Preferred Stock (but in any event not later than ten days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (i) the Conversion Price then in effect, and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of Preferred Stock.

4.10 Notice of Record Date. In the event:

(a) the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(b) of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation, or any Deemed Liquidation Event; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation,

then, and in each such case, the Corporation will send or cause to be sent to the holders of the Preferred Stock a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of the Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Preferred Stock and the Common Stock. Such notice shall be sent at least ten days prior to the record date or effective date for the event specified in such notice.

5. Mandatory Conversion.

5.1 Trigger Events. Upon either (a) the closing of the sale of shares of Common Stock to the public in a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least $75,000,000 of gross proceeds to the Corporation and in connection with such offering the Common Stock is listed for trading on the Nasdaq Stock Market's National Market, the New York Stock Exchange or another exchange or marketplace approved by the Board of Directors (a "**Qualified IPO**"), or (b) the date and time, or the occurrence of an event, specified by vote or written consent of the Requisite Holders (the time of such closing or the date and time specified or the time of the event specified in such vote or written consent is referred to herein as the "**Mandatory Conversion Time**"), then (i) all outstanding shares of Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective conversion rate as calculated pursuant to Section 4.1.1 and (ii) such shares may not be reissued by the Corporation.

5.2 Procedural Requirements. All holders of record of shares of Preferred Stock shall be sent written notice of the Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of Preferred Stock pursuant to this Section 5. Such notice need not be sent in advance of the occurrence of the Mandatory Conversion Time. Upon receipt of such notice, each holder of shares of Preferred Stock in certificated form shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, the Lost Certificate Documentation) to the Corporation at the place designated in such notice. If so required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Preferred Stock converted pursuant to Section 5.1, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender any certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of any certificate or certificates of such holders (or the Lost Certificate Documentation) therefor, to receive the items provided for in the next sentence of this Section 5.2. As soon as practicable after the Mandatory Conversion Time and, if applicable, the surrender of any certificate or certificates (or the Lost Certificate Documentation) for Preferred Stock, the Corporation shall (a) issue and deliver to such holder, or to his, her or its nominees, a notice of issuance of uncertificated shares and may, upon written request, issue and deliver a certificate for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof and (b) pay any declared but unpaid dividends on the shares of Preferred Stock converted. Such converted Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock accordingly.

6. Redeemed or Otherwise Acquired Shares. Any shares of Preferred Stock that are redeemed, converted or otherwise acquired by the Corporation or any of its subsidiaries shall be automatically and immediately cancelled and retired and shall not be reissued, sold or transferred. Neither the Corporation nor any of its subsidiaries may exercise any voting or other rights granted to the holders of Preferred Stock following redemption, conversion or acquisition.

7. Waiver. Except as otherwise set forth herein, (a) any of the rights, powers, preferences and other terms of the Preferred Stock set forth herein may be waived on behalf of all holders of Preferred Stock by the affirmative written consent or vote of the holders that would otherwise be required to amend such right, powers, preferences, and other terms and (b) at any time more than one series of Preferred Stock is issued and outstanding, any of the rights, powers, preferences and other terms of any series of Preferred Stock set forth herein may be waived on behalf of all holders of such series of Preferred Stock by the affirmative written consent or vote of the holders of such series that would otherwise be required to amend such right, power, preference, or other term.

8. Notices. Any notice required or permitted by the provisions of this Article Fourth to be given to a holder of shares of Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission.

FIFTH: Subject to any additional vote required by this Amended and Restated Certificate of Incorporation or Bylaws, in furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind any or all of the Bylaws of the Corporation.

SIXTH: Subject to any additional vote required by this Amended and Restated Certificate of Incorporation, the number of directors of the Corporation shall be determined in the manner set forth in the Bylaws of the Corporation. Each director shall be entitled to one vote on each matter presented to the Board of Directors.

SEVENTH: Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

EIGHTH: Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

NINTH: To the fullest extent permitted by law, a director or officer of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director or officer. If the General Corporation Law or any other law of the State of Delaware is amended after approval by the stockholders of this Article Ninth to authorize corporate action further eliminating or limiting the personal liability of directors or officers, then the liability of a director or officer of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law as so amended. Solely for the purposes of this Article NINTH, "officer" shall have the meaning provided in Section 102(b)(7) of the General Corporation Law as amended from time to time.

Any amendment, repeal or modification of the foregoing provisions of this Article Ninth by the stockholders of the Corporation shall not adversely affect any right or protection of a director or officer of the Corporation existing at the time of, or increase the liability of any director or officer of the Corporation with respect to any acts or omissions of such director or officer occurring prior to, such amendment, repeal or modification.

TENTH: To the fullest extent permitted by applicable law, the Corporation is authorized to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Corporation (and any other persons to which General Corporation Law permits the Corporation to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote of stockholders or disinterested directors or otherwise, in excess of the indemnification and advancement otherwise permitted by Section 145 of the General Corporation Law.

Any amendment, repeal or modification of the foregoing provisions of this Article Tenth shall not (a) adversely affect any right or protection of any director, officer or other agent of the Corporation existing at the time of such amendment, repeal or modification or (b) increase the liability of any director of the Corporation with respect to any acts or omissions of such director, officer or agent occurring prior to, such amendment, repeal or modification.

ELEVENTH: The Corporation renounces, to the fullest extent permitted by law, any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An "**Excluded Opportunity**" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of (i) any director of the Corporation who is not an employee of the Corporation or any of its subsidiaries, or (ii) any holder of Preferred Stock or any partner, member, director, stockholder, employee, affiliate or agent of any such holder, other than someone who is an employee of the Corporation or any of its subsidiaries (collectively, the persons referred to in clauses (i) and (ii) are "**Covered Persons**"), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person's capacity as a director of the Corporation while such Covered Person is performing services in such capacity. Any repeal or modification of this Article Eleventh will only be prospective and will not affect the rights under this Article Eleventh in effect at the time of the occurrence of any actions or omissions to act giving rise to liability. Notwithstanding anything to the contrary contained elsewhere in this Amended and Restated Certificate of Incorporation, the affirmative vote of the holders of a majority of the shares of Preferred Stock then outstanding, will be required to amend or repeal, or to adopt any provisions inconsistent with this Article Eleventh.

TWELFTH: Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery in the State of Delaware shall be the sole and exclusive forum for any stockholder (including a beneficial owner) to bring (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation, its directors, officers or employees arising pursuant to any provision of the Delaware General Corporation Law or the Corporation's certificate of incorporation or bylaws or (iv) any action asserting a claim against the Corporation, its directors, officers or employees governed by the internal affairs doctrine, except for, as to each of (i) through (iv) above, any claim as to which the Court of Chancery determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, or for which the Court of Chancery does not have subject matter jurisdiction. If any provision or provisions of this Article Twelfth shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article Twelfth (including, without limitation, each portion of any sentence of this Article Twelfth containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

THIRTEENTH: For purposes of Section 500 of the California Corporations Code (to the extent applicable), in connection with any repurchase of shares of Common Stock permitted under this Amended and Restated Certificate of Incorporation from employees, officers, directors or consultants of the Corporation in connection with a termination of employment or services pursuant to agreements or arrangements approved by the Board of Directors (in addition to any other consent required under this Amended and Restated Certificate of Incorporation), such repurchase may be made without regard to any "preferential dividends arrears amount" or "preferential rights amount" (as those terms are defined in Section 500 of the California Corporations Code). Accordingly, for purposes of making any calculation under California Corporations Code Section 500 in connection with such repurchase, the amount of any "preferential dividends arrears amount" or "preferential rights amount" (as those terms are defined therein) shall be deemed to be zero.

* * *

3. That the foregoing amendment and restatement was approved by the holders of the requisite number of shares of this corporation in accordance with Section 228 of the General Corporation Law.

4. That this Certificate of Incorporation, which restates and integrates and further amends the provisions of this Corporation's Certificate of Incorporation, has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law.

[Signature Page Follows]

IN WITNESS WHEREOF, this Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on this 20th day of May, 2026.

By: /s/ Andrew Orth
Andrew Orth, President and CEO

CERTIFICATE OF AMENDMENT TO THE
AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
CITY THERAPEUTICS, INC.

(Pursuant to Section 242 of the
General Corporation Law of the State of Delaware)

City Therapeutics, Inc., a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "**General Corporation Law**"),

DOES HEREBY CERTIFY:

FIRST: That the name of this corporation is City Therapeutics, Inc., and that this corporation was originally incorporated pursuant to the General Corporation Law on July 17, 2023.

SECOND: Pursuant to Section 242 of the General Corporation Law, this Certificate of Amendment to the Amended and Restated Certificate of Incorporation of this corporation (the "**Certificate of Amendment**") amends the Amended and Restated Certificate of Incorporation of this corporation (the "**Restated Certificate of Incorporation**") as follows:

1. The first paragraph of Article Fourth of the Restated Certificate of Incorporation be deleted and replaced in full with the following:

"The total number of shares of all classes of stock which the Corporation shall have authority to issue is (i) 42,350,000 shares of Common Stock, $0.0001 par value per share ("**Common Stock**") and (ii) 26,266,656 shares of Preferred Stock, $0.0001 par value per share ("**Preferred Stock**")."

THIRD: That the Board of Directors of the Corporation duly approved the Certificate of Amendment in accordance with the provisions of Sections 141 and 242 of the General Corporation Law.

FOURTH: The holders of the requisite number of shares of the Corporation approved and adopted the Certificate of Amendment in accordance with Sections 228 and 242 of the General Corporation Law.

FIFTH: Other than as set forth in this Certificate of Amendment, the Restated Certificate of Incorporation, as amended, shall remain in full force and effect, without modification, amendment or change.

* * *

IN WITNESS WHEREOF, this Certificate of Amendment to the Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on June 4, 2026.

/s/ Andrew Orth
Andrew Orth, President and CEO

Exhibit 3.3

BYLAWS OF

CITY THERAPEUTICS, INC.

(A DELAWARE CORPORATION)

TABLE OF CONTENTS

		Page
ARTICLE I OFFICES		1
1.1	Registered Office	1
1.2	Offices	1
ARTICLE II MEETINGS OF STOCKHOLDERS		1
2.1	Location	1
2.2	Timing	1
2.3	Notice of Meeting	1
2.4	Stockholders' Records	1
2.5	Special Meetings	2
2.6	Notice of Meeting	2
2.7	Business Transacted at Special Meeting	2
2.8	Quorum; Meeting Adjournment; Presence by Remote Means	2
2.9	Voting Thresholds	3
2.10	Number of Votes Per Share	3
2.11	Action by Written Consent of Stockholders; Electronic Consent; Notice of Action	3
ARTICLE III DIRECTORS		4
3.1	Authorized Directors	4
3.2	Vacancies	4
3.3	Board Authority	5
3.4	Location of Meetings	5
3.5	First Meeting	5
3.6	Regular Meetings	5
3.7	Special Meetings	5
3.8	Quorum	6
3.9	Action Without a Meeting	6
3.10	Telephonic Meetings	6
3.11	Committees	6
3.12	Minutes of Meetings	6
3.13	Compensation of Directors	7
3.14	Removal of Directors	7
ARTICLE IV NOTICES		7
4.1	Notice	7
4.2	Waiver of Notice	7
4.3	Electronic Notice	7
ARTICLE V OFFICERS		8
5.1	Required and Permitted Officers	8
5.2	Appointment of Required Officers	8
5.3	Appointment of Permitted Officers	8

5.4	Officer Compensation	8
5.5	Term of Office; Vacancies	8
5.6	Chairman Presides	8
5.7	Absence of Chairman	9
5.8	Powers of Chief Executive Officer	9
5.9	Chief Executive Officer's Signature Authority	9
5.10	Absence of Chief Executive Officer	9
5.11	Powers of President	9
5.12	Absence of President	9
5.13	Duties of Secretary	9
5.14	Duties of Assistant Secretary	10
5.15	Duties of Treasurer	10
5.16	Disbursements and Financial Reports	10
5.17	Treasurer's Bond	10
5.18	Duties of Assistant Treasurer	10
ARTICLE VI	CERTIFICATE OF STOCK	11
6.1	Stock Certificates	11
6.2	Facsimile Signatures	11
6.3	Lost Certificates	11
6.4	Transfer of Stock	11
6.5	Fixing a Record Date	12
6.6	Registered Stockholders	12
ARTICLE VII	GENERAL PROVISIONS	12
7.1	Dividends	12
7.2	Reserve for Dividends	12
7.3	Checks	12
7.4	Fiscal Year	12
7.5	Corporate Seal	12
7.6	Indemnification	13
7.7	Conflicts with Certificate of Incorporation	14
ARTICLE VIII	AMENDMENTS	14
ARTICLE IX	LOANS TO OFFICERS	14
ARTICLE X	STOCK TRANSFERS	14

BYLAWS
OF
CITY THERAPEUTICS, INC.

ARTICLE I
OFFICES

1.1 **Registered Office**. The registered office shall be in the City of Dover, County of Kent, State of Delaware.

1.2 **Offices**. The corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II
MEETINGS OF STOCKHOLDERS

2.1 **Location**. All meetings of the stockholders for the election of directors shall be held in Seattle, Washington, at such place as may be fixed from time to time by the Board of Directors, or at such other place either within or without the State of Delaware as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting; provided, however, that the Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211 of the Delaware General Corporations Law ("DGCL"). Meetings of stockholders for any other purpose may be held at such time and place, if any, within or without the State of Delaware, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof, or a waiver by electronic transmission by the person entitled to notice.

2.2 **Timing**. Annual meetings of stockholders, commencing with the year 2024, shall be held at such date and time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting, at which they shall elect by a plurality vote a Board of Directors, and transact such other business as may properly be brought before the meeting.

2.3 **Notice of Meeting**. Written notice of any stockholder meeting stating the place, if any, date and hour of the meeting, the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, shall be given to each stockholder entitled to vote at such meeting not fewer than ten (10) nor more than sixty (60) days before the date of the meeting.

2.4 **Stockholders' Records**. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address (but not the electronic address or other electronic contact information) of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting for a period of at least 10 days prior to the meeting: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the corporation. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

2.5 **Special Meetings**. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the certificate of incorporation, may be called by the Chief Executive Officer and shall be called by the Chief Executive Officer or secretary at the request in writing of a majority of the Board of Directors, or at the request in writing of stockholders owning at least fifty percent (50%) in amount of the entire capital stock of the corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

2.6 **Notice of Meeting**. Written notice of a special meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given not fewer than ten (10) nor more than sixty (60) days before the date of the meeting, to each stockholder entitled to vote at such meeting. The means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting shall also be provided in the notice.

2.7 **Business Transacted at Special Meeting**. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

2.8 **Quorum; Meeting Adjournment; Presence by Remote Means**.

(a) *Quorum; Meeting Adjournment*. The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the certificate of incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted that might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

(b) *Presence by Remote Means*. If authorized by the Board of Directors in its sole discretion, and subject to such guidelines and procedures as the Board of Directors may adopt, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication:

(i) participate in a meeting of stockholders; and

(ii) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (i) the corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder, (ii) the corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (iii) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the corporation.

2.9 **Voting Thresholds**. When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes or of the certificate of incorporation, a different vote is required, in which case such express provision shall govern and control the decision of such question.

2.10 **Number of Votes Per Share**. Unless otherwise provided in the certificate of incorporation, each stockholder shall at every meeting of the stockholders be entitled to one vote by such stockholder or by proxy for each share of the capital stock having voting power held by such stockholder, but no proxy shall be voted on after three years from its date, unless the proxy provides for a longer period.

2.11 **Action by Written Consent of Stockholders; Electronic Consent; Notice of Action**.

(a) *Action by Written Consent of Stockholders*. Unless otherwise provided by the certificate of incorporation, any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent in writing setting forth the action so taken, is signed in a manner permitted by law by the holders of outstanding stock having not less than the number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Written stockholder consents shall bear the date of signature of each stockholder who signs the consent in the manner permitted by law and shall be delivered to the corporation as provided in subsection (b) below. No written consent shall be effective to take the action set forth therein unless, within sixty (60) days of the earliest dated consent delivered to the corporation in the manner provided above, written consents signed by a sufficient number of stockholders to take the action set forth therein are delivered to the corporation in the manner provided above.

(b) *Electronic Consent*. A telegram, cablegram or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, or a person or persons authorized to act for a stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this section, provided that any such telegram, cablegram or other electronic transmission sets forth or is delivered with information from which the corporation can determine (1) that the telegram, cablegram or other electronic transmission was transmitted by the stockholder or proxyholder or by a person or persons authorized to act for the stockholder or proxyholder and (2) the date on which such stockholder or proxyholder or authorized person or persons transmitted such telegram, cablegram or electronic transmission. The date on which such telegram, cablegram or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by telegram, cablegram or other electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested. Notwithstanding the foregoing limitations on delivery, consents given by telegram, cablegram or other electronic transmission may be otherwise delivered to the principal place of business of the corporation or to an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded if, to the extent and in the manner provided by resolution of the Board of Directors of the corporation.

(c) *Notice of Action*. Prompt notice of any action taken pursuant to this Section 2.11 shall be provided to the stockholders in accordance with Section 228(e) of the DGCL.

ARTICLE III
DIRECTORS

3.1 **Authorized Directors**. The number of directors that shall constitute the whole Board of Directors shall be determined by resolution of the Board of Directors or by the stockholders at the annual meeting of the stockholders, except as provided in Section 3.2 of this Article, and each director elected shall hold office until his or her successor is elected and qualified. Directors need not be stockholders.

3.2 **Vacancies**. Unless otherwise provided in the corporation's certificate of incorporation, as it may be amended, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced. If there are no directors in office, then an election of directors may be held in the manner provided by statute. If, at the time of filling any vacancy or any newly created directorship, the directors then in office shall constitute less than a majority of the whole Board of Directors (as constituted immediately prior to any such increase), the Court of Chancery may, upon application of any stockholder or stockholders holding at least ten percent (10%) of the total number of the shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office.

3.3 **Board Authority**. The business of the corporation shall be managed by or under the direction of its Board of Directors, which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these bylaws directed or required to be exercised or done by the stockholders.

3.4 **Location of Meetings**. The Board of Directors of the corporation may hold meetings, both regular and special, either within or without the State of Delaware.

3.5 **First Meeting**. The first meeting of each newly elected Board of Directors shall be held at such time and place as shall be fixed by the vote of the stockholders at the annual meeting and no notice of such meeting shall be necessary to the newly elected directors in order to legally constitute the meeting, provided a quorum shall be present. In the event of the failure of the stockholders to fix the time or place of such first meeting of the newly elected Board of Directors, or in the event such meeting is not held at the time and place so fixed by the stockholders, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or as shall be specified in a written waiver signed by all of the directors.

3.6 **Regular Meetings**. Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board of Directors.

3.7 **Special Meetings**. Special meetings of the Board of Directors may be called by the Chief Executive Officer upon notice to each director; special meetings shall be called by the Chief Executive Officer or secretary in like manner and on like notice on the written request of two (2) directors unless the Board of Directors consists of only one director, in which case special meetings shall be called by the Chief Executive Officer or secretary in like manner and on like notice on the written request of the sole director. Notice of any special meeting shall be given to each director at his or her business or residence in writing, or by telegram, facsimile transmission, telephone communication or electronic transmission (provided, with respect to electronic transmission, that the director has consented to receive the form of transmission at the address to which it is directed). If mailed, such notice shall be deemed adequately delivered when deposited in the United States mails so addressed, with postage thereon prepaid, at least five (5) days before such meeting. If by telegram, such notice shall be deemed adequately delivered when the telegram is delivered to the telegraph company at least twenty-four (24) hours before such meeting. If by facsimile transmission or other electronic transmission, such notice shall be transmitted at least twenty-four (24) hours before such meeting. If by telephone, the notice shall be given at least twelve (12) hours prior to the time set for the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting, except for amendments to these Bylaws as provided under Section 8.1 of Article VIII hereof. A meeting may be held at any time without notice if all the directors are present (except as otherwise provided by law) or if those not present waive notice of the meeting in writing, either before or after such meeting.

3.8 **Quorum**. At all meetings of the Board of Directors, the greater of (a) a majority of the directors at any time in office, and (b) one-third of the number of directors fixed by the Board of Directors or by the stockholders pursuant to Section 3.1 of Article III hereof shall constitute a quorum for the transaction of business and any act of a majority of the directors present at any meeting at which there is a quorum shall be an act of the Board of Directors, except as may be otherwise specifically provided by statute or by the certificate of incorporation. If a quorum is not present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

3.9 **Action Without a Meeting**. Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing, writings, electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee.

3.10 **Telephonic Meetings**. Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the Board of Directors or any committee designated by the Board of Directors may participate in a meeting of the Board of Directors or any committee, by means of conference telephone or other means of communication by which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at the meeting.

3.11 **Committees**. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it, but no such committee shall have the power or authority in reference to the following matters: (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the DGCL to be submitted to stockholders for approval or (ii) adopting, amending or repealing any provision of these bylaws.

3.12 **Minutes of Meetings**. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

3.13 **Compensation of Directors**. Unless otherwise restricted by the certificate of incorporation or these bylaws, the Board of Directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

3.14 **Removal of Directors**. Unless otherwise provided by the certificate of incorporation or these bylaws, any director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of shares entitled to vote at an election of directors.

ARTICLE IV
NOTICES

4.1 **Notice**. Unless otherwise provided in these bylaws, whenever, under the provisions of the statutes or of the certificate of incorporation or of these bylaws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder, at his or her address as it appears on the records of the corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to directors may also be given by telegram.

4.2 **Waiver of Notice**. Whenever any notice is required to be given under the provisions of the statutes or of the certificate of incorporation or of these bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

4.3 **Electronic Notice**.

(a) *Electronic Transmission*. Without limiting the manner by which notice otherwise may be given effectively to stockholders and directors, any notice to stockholders or directors given by the corporation under any provision of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder or director to whom the notice is given. Any such consent shall be revocable by the stockholder or director by written notice to the corporation. Any such consent shall be deemed revoked if (1) the corporation is unable to deliver by electronic transmission two consecutive notices given by the corporation in accordance with such consent and (2) such inability becomes known to the secretary or an assistant secretary of the corporation or to the transfer agent, or other person responsible for the giving of notice; provided, however, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

(b) *Effective Date of Notice*. Notice given pursuant to subsection (a) of this section shall be deemed given: (1) if by facsimile telecommunication, when directed to a number at which the stockholder or director has consented to receive notice; (2) if by electronic mail, when directed to an electronic mail address at which the stockholder or director has consented to receive notice; (3) if by a posting on an electronic network together with separate notice to the stockholder or director of such specific posting, upon the later of (i) such posting and (ii) the giving of such separate notice; and (4) if by any other form of electronic transmission, when directed to the stockholder or director. An affidavit of the secretary or an assistant secretary or of the transfer agent or other agent of the corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

(c) *Form of Electronic Transmission*. For purposes of these bylaws, "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

ARTICLE V
OFFICERS

5.1 **Required and Permitted Officers**. The officers of the corporation shall be chosen by the Board of Directors and shall be a Chief Executive Officer and/or a president, a treasurer and a secretary. The Board of Directors may elect from among its members a Chairman of the Board and a Vice-Chairman of the Board. The Board of Directors may also choose one or more vice-presidents, assistant secretaries and assistant treasurers. Any number of offices may be held by the same person, unless the certificate of incorporation or these bylaws otherwise provide.

5.2 **Appointment of Required Officers**. The Board of Directors at its first meeting after each annual meeting of stockholders shall choose a Chief Executive Officer and/or a president, a treasurer, and a secretary and may choose vice-presidents.

5.3 **Appointment of Permitted Officers**. The Board of Directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

5.4 **Officer Compensation**. The salaries of all officers and agents of the corporation shall be fixed by the Board of Directors.

5.5 **Term of Office; Vacancies**. The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the Board of Directors. Any vacancy occurring in any office of the corporation shall be filled by the Board of Directors.

THE CHAIRMAN OF THE BOARD

5.6 **Chairman Presides**. Unless the Board of Directors appoints a Chairman of the Board, the Chief Executive Officer shall be the Chairman of the Board, so long as the Chief Executive Officer is a director of the corporation. The Chairman of the Board shall preside at all meetings of the Board of Directors and of the stockholders at which he or she shall be present. He or she shall have and may exercise such powers as are, from time to time, assigned to him or her by the Board of Directors and as may be provided by law.

5.7 **Absence of Chairman**. In the absence of the Chairman of the Board, the Vice-Chairman of the Board, if any, shall preside at all meetings of the Board of Directors and of the stockholders at which he or she shall be present. He or she shall have and may exercise such powers as are, from time to time, assigned to him or her by the Board of Directors and as may be provided by law.

THE CHIEF EXECUTIVE OFFICER

5.8 **Powers of Chief Executive Officer**. The Chief Executive Officer shall have general and active management of the business of the corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect.

5.9 **Chief Executive Officer's Signature Authority**. The Chief Executive Officer shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the corporation. The Chief Executive Officer may sign certificates for shares of stock of the corporation.

5.10 **Absence of Chief Executive Officer**. In the absence of the Chief Executive Officer or in the event of his or her inability or refusal to act, the president shall perform the duties of the Chief Executive Officer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer.

THE PRESIDENT AND VICE-PRESIDENTS

5.11 **Powers of President**. Unless the Board of Directors appoints a president of the corporation, the Chief Executive Officer shall be the president of the corporation. The president of the corporation shall have such powers as required by law and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

5.12 **Absence of President**. In the absence of the president or in the event of his or her inability or refusal to act, the vice-president, if any, (or in the event there be more than one vice-president, the vice-presidents in the order designated by the directors, or in the absence of any designation, then in the order of their election) shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice-presidents shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

THE SECRETARY AND ASSISTANT SECRETARY

5.13 **Duties of Secretary**. The secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings of the meetings of the corporation and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He or she shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the Chief Executive Officer, under whose supervision he or she shall be. He or she shall have custody of the corporate seal of the corporation and he or she, or an assistant secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his or her signature or by the signature of such assistant secretary. The Board of Directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his or her signature.

5.14 **Duties of Assistant Secretary**. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election) shall, in the absence of the secretary or in the event of his or her inability or refusal to act, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

THE TREASURER AND ASSISTANT TREASURERS

5.15 **Duties of Treasurer**. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors.

5.16 **Disbursements and Financial Reports**. He or she shall disburse the funds of the corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Chief Executive Officer and the Board of Directors, at its regular meetings or when the Board of Directors so requires, an account of all his or her transactions as treasurer and of the financial condition of the corporation.

5.17 **Treasurer's Bond**. If required by the Board of Directors, the treasurer shall give the corporation a bond (which shall be renewed every six years) in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his or her office and for the restoration to the corporation, in case of his or her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to the corporation.

5.18 **Duties of Assistant Treasurer**. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election) shall, in the absence of the treasurer or in the event of the treasurer's inability or refusal to act, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

ARTICLE VI
CERTIFICATE OF STOCK

6.1 **Stock Certificates**. Every holder of stock in the corporation shall be entitled to have a certificate, signed by or in the name of the corporation by any two authorized officers of the corporation, certifying the number of shares owned by him or her in the corporation.

Certificates may be issued for partly paid shares and in such case upon the face or back of the certificates issued to represent any such partly paid shares, the total amount of the consideration to be paid therefor, and the amount paid thereon shall be specified.

If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualification, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, provided that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

6.2 **Facsimile Signatures**. Any or all of the signatures on the certificate may be facsimile. In the event that any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, the certificate may be issued by the corporation with the same effect as if such officer, transfer agent or registrar were still acting as such at the date of issue.

6.3 **Lost Certificates**. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed upon the making of an affidavit of that fact by the person claiming the certificate to be lost, stolen or destroyed. When authorizing such issuance of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance, require the owner of such lost, stolen or destroyed certificate or certificates, or his or her legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

6.4 **Transfer of Stock**. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

6.5 **Fixing a Record Date**. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

6.6 **Registered Stockholders**. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, to vote as such owner, to hold liable for calls and assessments a person registered on its books as the owner of shares and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII
GENERAL PROVISIONS

7.1 **Dividends**. Dividends upon the capital stock of the corporation, if any, subject to the provisions of the certificate of incorporation, may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property or in shares of the capital stock, subject to the provisions of the certificate of incorporation.

7.2 **Reserve for Dividends**. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their sole discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purposes as the directors think conducive to the interests of the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

7.3 **Checks**. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

7.4 **Fiscal Year**. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

7.5 **Corporate Seal**. The Board of Directors may adopt a corporate seal having inscribed thereon the name of the corporation, the year of its organization and the words “Corporate Seal, Delaware.” The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

7.6 **Indemnification**. The corporation shall, to the fullest extent authorized under the laws of the State of Delaware, as those laws may be amended and supplemented from time to time, indemnify any director made, or threatened to be made, a party to an action or proceeding, whether criminal, civil, administrative or investigative, by reason of being a director of the corporation or a predecessor corporation or a director or officer of another corporation, if such person served in such position at the request of the corporation; provided, however, that the corporation shall indemnify any such director or officer in connection with a proceeding initiated by such director or officer only if such proceeding was authorized by the Board of Directors of the corporation. The indemnification provided for in this Section 7.6 shall: (i) not be deemed exclusive of any other rights to which those indemnified may be entitled under these bylaws, agreement or vote of stockholders or disinterested directors or otherwise, both as to action in their official capacities and as to action in another capacity while holding such office, (ii) continue as to a person who has ceased to be a director, and (iii) inure to the benefit of the heirs, executors and administrators of a person who has ceased to be a director. The corporation's obligation to provide indemnification under this Section 7.6 shall be offset to the extent of any other source of indemnification or any otherwise applicable insurance coverage under a policy maintained by the corporation or any other person.

Expenses incurred by a director of the corporation in defending a civil or criminal action, suit or proceeding by reason of the fact that he or she is or was a director of the corporation (or was serving at the corporation's request as a director or officer of another corporation) shall be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation as authorized by relevant sections of the DGCL. Notwithstanding the foregoing, the corporation shall not be required to advance such expenses to an agent who is a party to an action, suit or proceeding brought by the corporation and approved by a majority of the Board of Directors of the corporation that alleges willful misappropriation of corporate assets by such agent, disclosure of confidential information in violation of such agent's fiduciary or contractual obligations to the corporation or any other willful and deliberate breach in bad faith of such agent's duty to the corporation or its stockholders.

The foregoing provisions of this Section 7.6 shall be deemed to be a contract between the corporation and each director who serves in such capacity at any time while this bylaw is in effect, and any repeal or modification thereof shall not affect any rights or obligations then existing with respect to any state of facts then or theretofore existing or any action, suit or proceeding theretofore or thereafter brought based in whole or in part upon any such state of facts.

The Board of Directors in its sole discretion shall have power on behalf of the corporation to indemnify any person, other than a director, made a party to any action, suit or proceeding by reason of the fact that he or she, his or her testator or intestate, is or was an officer or employee of the corporation.

To assure indemnification under this Section 7.6 of all directors, officers and employees who are determined by the corporation or otherwise to be or to have been "fiduciaries" of any employee benefit plan of the corporation that may exist from time to time, Section 145 of the DGCL shall, for the purposes of this Section 7.6, be interpreted as follows: an "other enterprise" shall be deemed to include such an employee benefit plan, including without limitation, any plan of the corporation that is governed by the Act of Congress entitled "Employee Retirement Income Security Act of 1974," as amended from time to time; the corporation shall be deemed to have requested a person to serve the corporation for purposes of Section 145 of the DGCL, as administrator of an employee benefit plan where the performance by such person of his or her duties to the corporation also imposes duties on, or otherwise involves services by, such person to the plan or participants or beneficiaries of the plan; excise taxes assessed on a person with respect to an employee benefit plan pursuant to such Act of Congress shall be deemed "fines."

7.7 **Conflicts with Certificate of Incorporation**. In the event of any conflict between the provisions of the corporation's certificate of incorporation and these bylaws, the provisions of the certificate of incorporation shall govern.

ARTICLE VIII
AMENDMENTS

8.1 These bylaws may be altered, amended or repealed, or new bylaws may be adopted by the stockholders or by the Board of Directors, when such power is conferred upon the Board of Directors by the certificate of incorporation at any regular meeting of the stockholders or of the Board of Directors or at any special meeting of the stockholders or of the Board of Directors if notice of such alteration, amendment, repeal or adoption of new bylaws be contained in the notice of such special meeting. If the power to adopt, amend or repeal bylaws is conferred upon the Board of Directors by the certificate of incorporation, it shall not divest or limit the power of the stockholders to adopt, amend or repeal bylaws.

ARTICLE IX
LOANS TO OFFICERS

9.1 The corporation may lend money to, or guarantee any obligation of or otherwise assist any officer or other employee of the corporation or of its subsidiaries, including any officer or employee who is a director of the corporation or its subsidiaries, whenever, in the judgment of the Board of Directors, such loan, guarantee or assistance may reasonably be expected to benefit the corporation. The loan, guarantee or other assistance may be with or without interest and may be unsecured or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in these bylaws shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

ARTICLE X
STOCK TRANSFERS

10.1 **Stock Transfer Agreements**. The corporation shall have the power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the corporation to restrict the transfer of shares of stock of the corporation of any one or more classes owned by such stockholders in any manner not prohibited by DGCL.

10.2 **Restrictions on Transfer**.

(a) *Restrictions on Transfer*. No stockholder of the corporation (a "Stockholder") may sell, assign, transfer, pledge, encumber, grant an economic or participation interest in, contractually transfer the economic benefits of, or in any manner dispose of ("Transfer") any share of Common Stock not issued upon the conversion of preferred stock of the corporation (a "Share"), whether voluntarily or by operation of law, or by gift or otherwise, other than by means of a Permitted Transfer (as defined below). If any provision(s) of any agreement(s) currently in effect by and between the corporation and any Stockholder (the "Stockholder Agreement(s)") conflicts with this Section 10.2 of the Bylaws, this Section 10.2 shall govern, and the remaining provision(s) of the Stockholder Agreement(s) that do not conflict with this Section 10.2 shall continue in full force and effect.

(b) *Permitted Transfers*. For purposes of this Section 10.2, a "Permitted Transfer" shall mean any of the following:

(i) any Transfer by a Stockholder of any or all of such Stockholder's Shares to the corporation;

(ii) any Transfer by a Stockholder of any or all of such Stockholder's Shares to such Stockholder's Immediate Family (as defined below) or a trust or other entity for the benefit of such Stockholder or such Stockholder's Immediate Family;

(iii) any Transfer by a Stockholder of any or all of such Stockholder's Shares effected pursuant to such Stockholder's beneficiary designation, will or the laws of intestate succession;

(iv) if a Stockholder is a partnership, limited liability company, or corporation, any Transfer by such Stockholder of any or all of such Stockholder's Shares to the partners, members, retired partners, retired members, stockholders, and/or Affiliates (as defined below) of such Stockholder; provided that no Stockholder may Transfer any of such Stockholder's Shares to a Special Purpose Entity (as defined below) pursuant to this subsection (iv); and/or

(v) any Transfer of Shares approved by the Board of Directors.

Notwithstanding the foregoing, if a Permitted Transfer is approved pursuant to subsection (v) of this Section 10.2(b) and the Shares of the transferring party are subject to rights of first refusal and/or co-sale rights pursuant to these Bylaws or a Stockholder Agreement (the "First Refusal and Co-Sale Rights"), the persons and/or entities entitled to the First Refusal and Co-Sale Rights shall be permitted to exercise their respective First Refusal and Co-Sale Rights in conjunction with that specific Permitted Transfer without any additional approval of the Board of Directors.

(c) *Certain Definitions*. For purposes of this Section 10.2:

(i) "Affiliate" shall mean any person or entity who or which, directly or indirectly, controls, is controlled by, or is under common control with the relevant Stockholder, including, without limitation, any general partner, managing partner, limited partner, manager, managing member, officer or director of such Stockholder or any venture capital fund now or hereafter existing that is controlled by one or more general partners or managing members of, shares the same management or advisory company with, or is otherwise affiliated with, such Stockholder.

(ii) "Immediate Family" shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, including adoptive relationships, or any Spousal Equivalent.

(iii) "Liquidation Event" shall mean any transaction defined as a "Liquidation Event" in the certificate of incorporation or, if such term is not defined in the certificate of incorporation, shall mean (A) the closing of the sale, transfer or other disposition of all or substantially all of the corporation's assets, (B) the consummation of the merger or consolidation of the corporation with or into another entity (except a merger or consolidation in which the holders of capital stock of the corporation immediately prior to such merger or consolidation continue to hold at least 50% of the voting power of the capital stock of the corporation or the surviving or acquiring entity in substantially identical proportions and with substantially identical rights, preferences, privileges and restrictions as existed immediately prior to such transaction), (C) the closing of the transfer (whether by merger, consolidation or otherwise), in one transaction or a series of related transactions, to a person or group of affiliated persons (other than an underwriter of the corporation's securities), of the corporation's securities if, after such closing, such person or group of affiliated persons would hold 50% or more of the outstanding voting stock of the corporation (or the surviving or acquiring entity) or (D) a liquidation, dissolution or winding up of the corporation; provided, however, that a transaction shall not constitute a Liquidation Event if its sole purpose is to change the state of the corporation's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the corporation's securities immediately prior to such transaction.

(iv) "Special Purpose Entity" shall mean an entity that holds or would hold only Shares or has or would have a class or series of security holders with beneficial interests primarily in Shares (including for such purpose an entity that holds cash and/or cash equivalents intended to purchase Shares).

(v) "Spousal Equivalent" shall mean an individual who: (A) is in an exclusive, continuous, committed relationship with the relevant Stockholder, has been in that relationship for the twelve (12) months prior to the relevant date and intends to be in that relationship indefinitely; (B) has no such relationship with any other person and is not married to any other person; (C) shares a principal residence with the relevant Stockholder; (D) is at least 18 years of age and legally and mentally competent to consent to contract; (E) is not related by blood to the relevant stockholder to a degree of kinship that would prevent marriage from being recognized under the law of the state in which the individual and the relevant Stockholder reside; and (F) is jointly responsible with the relevant Stockholder for each other's common welfare and financial obligations.

(d) *Void Transfers*. Any Transfer of Shares shall be null and void unless the terms, conditions and provisions of this Section 10.2 are strictly observed and followed.

(e) *Termination of Restriction on Transfer*. The foregoing restriction on Transfer shall lapse upon the earlier of (i) immediately prior to the consummation of a Liquidation Event, or (ii) immediately prior to the corporation's first firm commitment underwritten public offering of its securities pursuant to a registration statement under the Securities Act of 1933, as amended, or (iii) the corporation's initial listing of its common stock on a national securities exchange by means of an effective registration statement on Form S-1 filed by this corporation with the Securities and Exchange Commission.

(f) *Legends*. The certificates representing Shares shall bear on their face the following legend so long as the foregoing restriction on Transfer remains in effect:

"THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR IN ANY MANNER DISPOSED OF, EXCEPT IN COMPLIANCE WITH THE BYLAWS OF THE CORPORATION. COPIES OF THE BYLAWS OF THE CORPORATION MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE CORPORATION."

[***Remainder of page intentionally left blank***]

CERTIFICATE OF SECRETARY OF

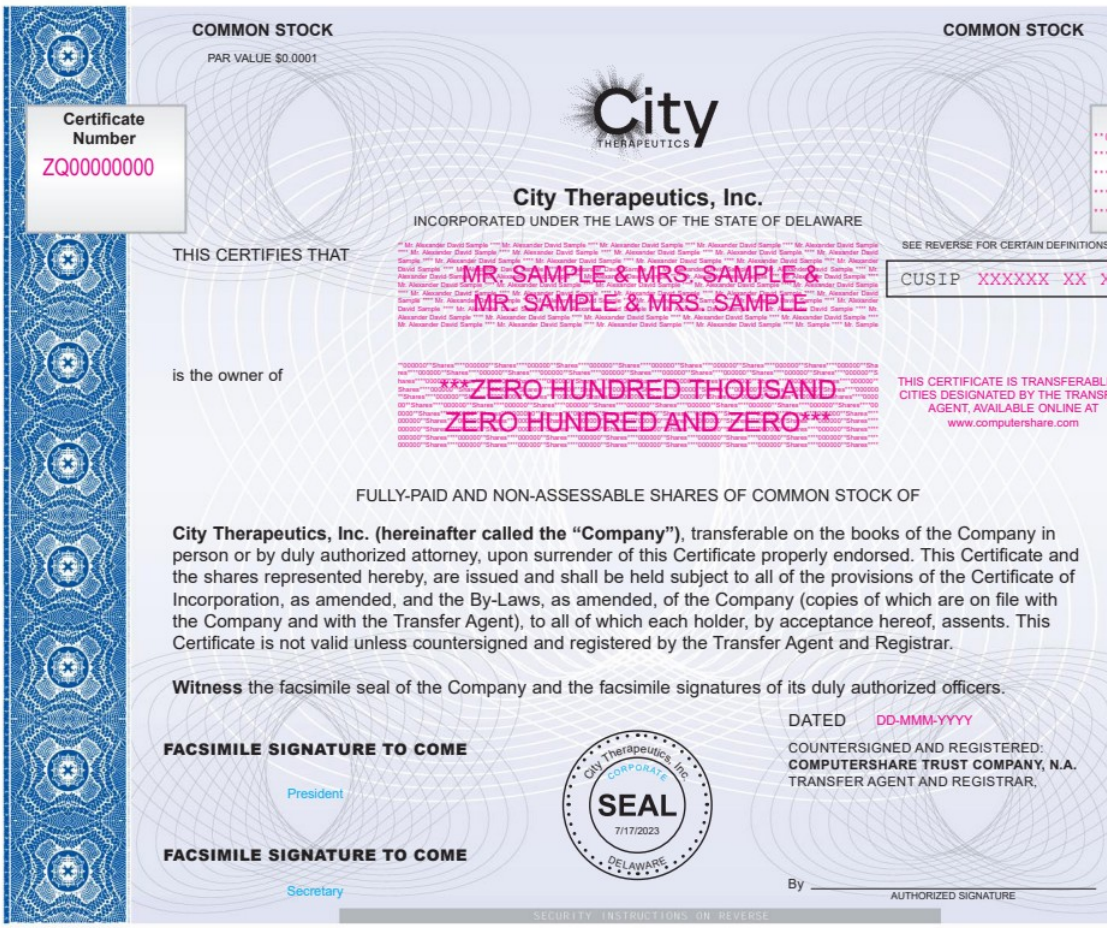
CITY THERAPEUTICS, INC.

The undersigned, Kirt Shuldberg, hereby certifies that he or she is the duly elected and acting Secretary of **CITY THERAPEUTICS, INC.**, a Delaware corporation (the "Corporation"), and that the Bylaws attached hereto constitute the Bylaws of said Corporation as duly adopted by Action by Written Consent in Lieu of Organizational Meeting by the Directors on July 17, 2023.

IN WITNESS WHEREOF, the undersigned has hereunto subscribed his or her name this 17th day of July, 2023.

/s/ Kirt Shuldberg
Kirt Shuldberg, Secretary

ZQ|CERT#|COY|CLS|RGSTRY|ACCT#|TRANSTYPE|RUN#|TRANS#



COMMON STOCK

PAR VALUE $0.0001

COMMON STOCK

Certificate Number

ZQ00000000

City Therapeutics, Inc.

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

THIS CERTIFIES THAT

MR. SAMPLE & MRS. SAMPLE & MR. SAMPLE & MRS. SAMPLE

SEE REVERSE FOR CERTAIN DEFINITIONS

CUSIP XXXXXX XX X

is the owner of

ZERO HUNDRED THOUSAND ZERO HUNDRED AND ZERO

THIS CERTIFICATE IS TRANSFERABL CITIES DESIGNATED BY THE TRANSF AGENT, AVAILABLE ONLINE AT www.computershare.com

FULLY-PAID AND NON-ASSESSABLE SHARES OF COMMON STOCK OF

City Therapeutics, Inc. (hereinafter called the "Company"), transferable on the books of the Company in person or by duly authorized attorney, upon surrender of this Certificate properly endorsed. This Certificate and the shares represented hereby, are issued and shall be held subject to all of the provisions of the Certificate of Incorporation, as amended, and the By-Laws, as amended, of the Company (copies of which are on file with the Company and with the Transfer Agent), to all of which each holder, by acceptance hereof, assents. This Certificate is not valid unless countersigned and registered by the Transfer Agent and Registrar.

Witness the facsimile seal of the Company and the facsimile signatures of its duly authorized officers.

DATED DD-MMM-YYYY

FACSIMILE SIGNATURE TO COME

President

City Therapeutics, Inc. CORPORATE SEAL 7/17/2023 DELAWARE

COUNTERSIGNED AND REGISTERED:
COMPUTERSHARE TRUST COMPANY, N.A.
TRANSFER AGENT AND REGISTRAR,

FACSIMILE SIGNATURE TO COME

Secretary

By _____
AUTHORIZED SIGNATURE

SECURITY INSTRUCTIONS ON REVERSE

City THERAPEUTICS

PO Box 43004, Providence RI 02940-3004

MR A SAMPLE
DESIGNATION (IF ANY)
ADD 1
ADD 2
ADD 3
ADD 4

CUSIP/IDENTIFIER	XXXXXX XX X
Holder ID	XXXXXXXXXX
Insurance Value	1,000,000.00
Number of Shares	12345
DTC	12345678 12345678901234 5

Certificate Numbers	Num/No.	Denom.	Total
12345678901234567890	1	1	1
12345678901234567890	2	2	2
12345678901234567890	3	3	3
12345678901234567890	4	4	4
12345678901234567890	5	5	5
12345678901234567890	6	6	6
Total Transaction			7

CITY THERAPEUTICS, INC.

THE COMPANY WILL FURNISH WITHOUT CHARGE TO EACH SHAREHOLDER WHO SO REQUESTS, A SUMMARY OF THE POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OF THE COMPANY AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND RIGHTS, AND THE VARIATIONS IN RIGHTS, PREFERENCES AND LIMITATIONS DETERMINED FOR EACH SERIES, WHICH ARE FIXED BY THE CERTIFICATE OF INCORPORATION OF THE COMPANY, AS AMENDED, AND THE RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE COMPANY, AND THE AUTHORITY OF THE BOARD OF DIRECTORS TO DETERMINE VARIATIONS FOR FUTURE SERIES. SUCH REQUEST MAY BE MADE TO THE OFFICE OF THE SECRETARY OF THE COMPANY OR TO THE TRANSFER AGENT. THE BOARD OF DIRECTORS MAY REQUIRE THE OWNER OF A LOST OR DESTROYED STOCK CERTIFICATE, OR HIS LEGAL REPRESENTATIVES, TO GIVE THE COMPANY A BOND TO INDEMNIFY IT AND ITS TRANSFER AGENTS AND REGISTRARS AGAINST ANY CLAIM THAT MAY BE MADE AGAINST THEM ON ACCOUNT OF THE ALLEGED LOSS OR DESTRUCTION OF ANY SUCH CERTIFICATE.

For US purposes the following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - .....Custodian .....
(Cust) (Minor)
under Uniform Gifts to Minors Act .....
(State)

UNIF TRF MIN ACT - .....Custodian (until age .....)
(Cust)
.....under Uniform Transfers to Minors Act .....
(Minor) (State)

Additional abbreviations may also be used though not in the above list.

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

For value received, _____ hereby sell, assign and transfer unto

_____

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE, OF ASSIGNEE)

_____

_____

_____ Shares

of the common stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

_____ Attorney

to transfer the said stock on the books of the within-named Company with full power of substitution in the premises.

Dated: _____ 20_____

Signature: _____

Signature: _____

Notice: The signature to this assignment must correspond with the name as written upon the face of the certificate, in every particular, without alteration or enlargement, or any change whatever.

Signature(s) Guaranteed: Medallion Guarantee Stamp

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (Banks, Stockbrokers, Savings and Loan Associations and Credit Unions) WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM, PURSUANT TO S.E.C. RULE 17Ad-15.

SECURITY INSTRUCTIONS

THIS IS WATERMARKED PAPER. DO NOT ACCEPT WITHOUT NOTING WATERMARK. HOLD TO LIGHT TO VERIFY WATERMARK.

The IRS requires that the named transfer agent ("we") report the cost basis of certain shares or units acquired after January 1, 2011. If your shares or units are covered by the legislation, and you requested to sell or transfer the shares or units using a specific cost basis calculation method, then we have processed as you requested. If you did not specify a cost basis calculation method, then we have defaulted to the first in, first out (FIFO) method. Please consult your tax advisor if you need additional information about cost basis.

If you do not keep in contact with the issuer or do not have any activity in your account for the time period specified by state law, your property may become subject to state unclaimed property laws and transferred to the appropriate state.

1234567

Exhibit 4.2

AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

THIS AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (this "**Agreement**"), is made as of May 20, 2026, by and among City Therapeutics, Inc., a Delaware corporation (the "**Company**"), and each of the investors listed on Schedule A hereto, each of which is referred to in this Agreement as an "**Investor**".

RECITALS

WHEREAS, certain of the Investors (the "**Existing Investors**") hold shares of Series A Preferred Stock, Series Seed Preferred Stock and/or shares of Common Stock issued upon conversion thereof and possess registration rights, information rights, rights of first offer, and other rights pursuant to that certain Investors' Rights Agreement dated as of April 17, 2024, by and among the Company and such Existing Investors (the "**Prior Agreement**"); and

WHEREAS, the undersigned Existing Investors are holders of a sufficient number of the securities of the Company as are required to amend the Prior Agreement, and desire to amend and restate the Prior Agreement in its entirety and to accept the rights created pursuant to this Agreement in lieu of the rights granted to them under the Prior Agreement; and

WHEREAS, certain of the Investors are parties to that certain Series B Preferred Stock Purchase Agreement of even date herewith by and among the Company and such Investors (the "**Purchase Agreement**"), under which certain of the Company's and such Investors' obligations are conditioned upon the execution and delivery of this Agreement by the undersigned parties;

NOW, THEREFORE, the parties hereby agree as follows:

1. Definitions. For purposes of this Agreement:

1.1 "**Affiliate**" means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including, without limitation, any general partner, limited partner, member, managing member, manager, officer, employee or director or trustee of such Person, or any trust fund for the benefit of any of the foregoing or any Affiliate of any of the foregoing, or any venture capital fund or other investment fund now or hereafter existing that is controlled by one (1) or more general partners, managing members or investment advisers of, or shares the same management company or investment adviser with, such Person. For purposes of this definition, the terms "control", "controlling", "controlled by" and "under common control with," as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct the management or policies of such Person, directly or indirectly, whether through the ownership of voting securities, by agreement, as trustee or executor or otherwise.

1.2 "**Board of Directors**" means the board of directors of the Company.

1.3 "**Certificate of Incorporation**" means the Company's Amended and Restated Certificate of Incorporation, as amended and/or restated from time to time.

1.4 "**Common Stock**" means shares of the Company's common stock, par value $0.0001 per share.

1.5 "**Competitor**" means a Person engaged, directly or indirectly (including through any partnership, limited liability company, corporation, joint venture or similar arrangement (whether now existing or formed hereafter)), in the business of the Company in the reasonable determination by the Board of Directors, but shall not include (i) any financial investment firm or collective investment vehicle that, together with its Affiliates, holds less than twenty percent (20%) of the outstanding equity of any Competitor and does not, nor do any of its Affiliates, have a right to designate any members of the board of directors of any Competitor, (ii) ARCH Venture Fund XII, L.P. or any of its Affiliates (together, "**ARCH**"), (iii) Fidelity Mt. Vernon Street Trust: Fidelity Series Growth Company Fund, Fidelity Mt. Vernon Street Trust: Fidelity Growth Company Fund, Fidelity Growth Company Commingled Pool, Fidelity Mt. Vernon Street Trust: Fidelity Growth Company K6 Fund, Fidelity Select Portfolios: Biotechnology Portfolio, Fidelity Advisor Series VII: Fidelity Advisor Biotechnology Fund or any of their Affiliates (together, "**Fidelity**"), (iv) Invus Public Equities, L.P. or any of its Affiliates (together, "**Invus**"), (v) Slate Path or any of its Affiliates (together, "**Slate Path**") or (vi) either of Rock Springs Capital Master Fund LP or Four Pines Master Fund LP or any of their Affiliates (together, "**Rock Springs**"), (vi) Sofinnova Venture Partners XII, L.P. or any of its Affiliates (together, "**Sofinnova**") and (vii) Viking Global Opportunities Illiquid Investments Sub-Master LP, Viking Global Opportunities Vintage IV (Aggregator) LP and any of their respective Affiliates (together, "**Viking**") .

1.6 "**Damages**" means any loss, damage, claim or liability (joint or several) to which a party hereto may become subject under the Securities Act, the Exchange Act, or other federal or state law, insofar as such loss, damage, claim or liability (or any action in respect thereof) arises out of or is based upon: (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement of the Company, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto; (ii) an omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or (iii) any violation or alleged violation by the indemnifying party (or any of its agents or Affiliates) of the Securities Act, the Exchange Act, any state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act, or any state securities law.

1.7 "**Derivative Securities**" means any securities or rights convertible into, or exercisable or exchangeable for (in each case, directly or indirectly), Common Stock, including options and warrants.

1.8 "**Director**" means any director of the Company that the holders of record of Common Stock and/or Preferred Stock are entitled to elect, pursuant to the Certificate of Incorporation.

1.9 "**DPA**" means Section 721 of the Defense Production Act, as amended, including all implementing regulations thereof.

1.10 "**DPA Triggering Rights**" means (i) "control" (as defined in the DPA); (ii) access to any "material non-public technical information" (as defined in the DPA) in the possession of the Company; (iii) membership or observer rights on the Board of Directors or equivalent governing body of the Company or the right to nominate an individual to a position on the Board of Directors or equivalent governing body of the Company; (iv) any involvement, other than through the voting of shares, in substantive decision-making of the Company regarding (x) the use, development, acquisition or release of any Company "critical technology" (as defined in the DPA); (y) the use, development, acquisition, safekeeping, or release of "sensitive personal data" (as defined in the DPA) of U.S. citizens maintained or collected by the Company, or (z) the management, operation, manufacture, or supply of "covered investment critical infrastructure" (as defined in the DPA).

1.11 "**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.12 "**Excluded Registration**" means (i) a registration relating to the sale or grant of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, equity incentive or similar plan; (ii) a registration relating to an SEC Rule 145 transaction; (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities; or (iv) a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered.

1.13 "**FOIA Party**" means a Person that, in the reasonable determination of the Board of Directors, may be subject to, and thereby required to disclose non-public information furnished by or relating to the Company under, the Freedom of Information Act, 5 U.S.C. 552 ("**FOIA**"), any state public records access law, any state or other jurisdiction's laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement.

1.14 "**Foreign Person**" means either (i) a Person or government that is a "foreign person" within the meaning of the DPA or (ii) a Person through whose investment a "foreign person" within the meaning of the DPA would obtain any DPA Triggering Rights.

1.15 "**Form S-1**" means such form under the Securities Act as in effect on the date hereof or any successor registration form under the Securities Act subsequently adopted by the SEC.

1.16 "**Form S-3**" means such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC that permits forward incorporation of substantial information by reference to other documents filed by the Company with the SEC.

1.17 "**GAAP**" means generally accepted accounting principles in the United States as in effect from time to time.

1.18 "**Holder**" means any holder of Registrable Securities who is a party to this Agreement.

1.19 "**Immediate Family Member**" means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, life partner or similar statutorily-recognized domestic partner, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships of a natural person referred to herein.

1.20 "**Initiating Holders**" means, collectively, Holders who properly initiate a registration request under this Agreement.

1.21 "**IPO**" means the Company's first underwritten public offering of its Common Stock under the Securities Act.

1.22 "**Major Investor**" means any Investor that, individually or together with such Investor's Affiliates, holds at least 500,000 shares of Registrable Securities (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof).

1.23 "**New Securities**" means, collectively, equity securities of the Company, whether or not currently authorized, as well as rights, options, or warrants to purchase such equity securities, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such equity securities.

1.24 "**Person**" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

1.25 "**Preferred Director**" has the meaning given to it in the Certificate of Incorporation.

1.26 "**Preferred Stock**" means, collectively, shares of the Series Seed Preferred Stock, shares of the Series A Preferred Stock, Shares of the Series B-1 Preferred Stock and shares of the Series B Preferred Stock.

1.27 "**Registrable Securities**" means (i) the Common Stock issuable or issued upon conversion of the Preferred Stock and (ii) any Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clause (i) above; excluding in all cases (other than the restrictions on transfer legend requirements in Section 2.12), however, any Registrable Securities sold by a Person in a transaction in which the applicable rights under this Agreement are not assigned pursuant to Section 6.1, and excluding for purposes of Section 2 any shares for which registration rights have terminated pursuant to Section 2.13 of this Agreement.

1.28 "**Registrable Securities then outstanding**" means the number of shares determined by adding the number of shares of outstanding Common Stock that are Registrable Securities and the number of shares of Common Stock issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Registrable Securities.

1.29 "**Requisite Holders**" means (a) prior to the IPO, the holders of a majority of the outstanding shares of Preferred Stock (calculated together as a single class on an as-converted basis), which majority must include the Specified Holders, and (b) following the IPO, the Investors holding a majority of the then outstanding shares of Registrable Securities.

1.30 "**Restricted Securities**" means the securities of the Company required to be notated with the legend set forth in Section 2.12(b) hereof.

1.31 "**SEC**" means the Securities and Exchange Commission.

1.32 "**SEC Rule 144**" means Rule 144 promulgated by the SEC under the Securities Act.

1.33 "**SEC Rule 145**" means Rule 145 promulgated by the SEC under the Securities Act.

1.34 "**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

1.35 "**Selling Expenses**" means all underwriting discounts, selling commissions, and stock transfer taxes applicable to the sale of Registrable Securities, and fees and disbursements of counsel for any Holder, except for the fees and disbursements of the Selling Holder Counsel borne and paid by the Company as provided in Section 2.6.

1.36 "**Series A Preferred Stock**" means shares of the Company's Series A Preferred Stock, par value $0.0001 per share.

1.37 "**Series B Preferred Stock**" means shares of the Company's Series B Preferred Stock, par value $0.0001 per share.

1.38 "**Series B-1 Preferred Stock**" means shares of the Company's Series B-1 Preferred Stock, par value $0.0001 per share.

1.39 "**Series Seed Preferred Stock**" means shares of the Company's Series Seed Preferred Stock, par value $0.0001 per share.

1.40 "**Specified Holders**" means (i) ARCH and (ii) at least one of Sofinnova and Viking.

2. Registration Rights. The Company covenants and agrees as follows:

2.1 Demand Registration.

(a) Form S-1 Demand. If at any time after the earlier of (i) five (5) years after the date of this Agreement or (ii) one hundred eighty (180) days after the effective date of the registration statement for the IPO, the Company receives a request from Holders of a majority of the Registrable Securities then outstanding that the Company file a Form S-1 registration statement with respect to at least forty percent (40%) of the Registrable Securities then outstanding, then the Company shall: (x) within ten (10) days after the date such request is given, give notice thereof (the "**Demand Notice**") to all Holders other than the Initiating Holders; and (y) as soon as practicable, and in any event within sixty (60) days after the date such request is given by the Initiating Holders, file a Form S-1 registration statement under the Securities Act covering all Registrable Securities that the Initiating Holders requested to be registered and any additional Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the limitations of Sections 2.1(c) and 2.3; provided, however, that this right to request the filing of a Form S-1 registration statement shall in no event be made available to any Holder that is a Foreign Person.

(b) Form S-3 Demand. If at any time when it is eligible to use a Form S-3 registration statement, the Company receives a request from Holders of at least twenty percent (20%) of the Registrable Securities then outstanding that the Company file a Form S-3 registration statement with respect to outstanding Registrable Securities of such Holders having an anticipated aggregate offering price, net of Selling Expenses, of at least $5 million, then the Company shall (i) within ten (10) days after the date such request is given, give a Demand Notice to all Holders other than the Initiating Holders; and (ii) as soon as practicable, and in any event within forty-five (45) days after the date such request is given by the Initiating Holders, file a Form S-3 registration statement under the Securities Act covering all Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the limitations of Sections 2.1(c) and 2.3.

(c) Notwithstanding the foregoing obligations, if the Company furnishes to Holders requesting a registration pursuant to this Section 2.1 a certificate signed by the Company's chief executive officer stating that in the good faith judgment of the Board of Directors it would be materially detrimental to the Company and its stockholders for such registration statement to either become effective or remain effective for as long as such registration statement otherwise would be required to remain effective, because such action would (i) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving the Company; (ii) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential; or (iii) render the Company unable to comply with requirements under the Securities Act or Exchange Act, then the Company shall have the right to defer taking action with respect to such filing, and any time periods with respect to filing or effectiveness thereof shall be tolled correspondingly, for a period of not more than ninety (90) days after the request of the Initiating Holders is given; provided, however, that the Company may not invoke this right more than once in any twelve (12) month period; and provided further that the Company shall not register any securities for its own account or that of any other stockholder during such ninety (90) day period other than an Excluded Registration.

(d) The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Section 2.1(a), (i) during the period that is sixty (60) days before the Company's good faith estimate of the date of filing of, and ending on a date that is one hundred eighty (180) days after the effective date of, a Company-initiated registration, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; (ii) after the Company has effected two (2) registrations pursuant to Section 2.1(a); or (iii) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Section 2.1(b). The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Section 2.1(b), (i) during the period that is thirty (30) days before the Company's good faith estimate of the date of filing of, and ending on a date that is ninety (90) days after the effective date of, a Company-initiated registration, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; or (ii) if the Company has effected two (2) registrations pursuant to Section 2.1(b) within the twelve (12) month period immediately preceding the date of such request. A registration shall not be counted as "effected" for purposes of this Section 2.1(d) until such time as the applicable registration statement has been declared effective by the SEC, unless the Initiating Holders withdraw their request for such registration, elect not to pay the registration expenses therefor, and forfeit their right to one demand registration statement pursuant to Section 2.6, in which case such withdrawn registration statement shall be counted as "effected" for purposes of this Section 2.1(d); provided, that if such withdrawal is during a period the Company has deferred taking action pursuant to Section 2.1(e), then the Initiating Holders may withdraw their request for registration and such registration will not be counted as "effected" for purposes of this Section 2.1(d).

2.2 Company Registration. If the Company proposes to register (including for this purpose a registration effected by the Company for stockholders other than the Holders) any of its securities under the Securities Act in connection with the public offering of such securities solely for cash (other than in an Excluded Registration), the Company shall, at such time, promptly give each Holder notice of such registration. Upon the request of each Holder given within twenty (20) days after such notice is given by the Company, the Company shall, subject to the provisions of Section 2.3, cause to be registered all of the Registrable Securities that each such Holder has requested to be included in such registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2.2 before the effective date of such registration, whether or not any Holder has elected to include Registrable Securities in such registration. The expenses (other than Selling Expenses) of such withdrawn registration shall be borne by the Company in accordance with Section 2.6.

2.3 Underwriting Requirements.

(a) If, pursuant to Section 2.1, the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to Section 2.1, and the Company shall include such information in the Demand Notice. The underwriter(s) will be selected by the Board of Directors and shall be reasonably acceptable to a majority in interest of the Initiating Holders. In such event, the right of any Holder to include such Holder's Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in Section 2.4(e)) enter into an underwriting agreement in customary form with the underwriter(s) selected for such underwriting; provided, however, that no Holder (or any of their assignees) shall be required to make any representations, warranties or indemnities except as they relate to such Holder's ownership of shares and authority to enter into the underwriting agreement and to such Holder's intended method of distribution, and the liability of such Holder shall be several and not joint, and limited to an amount equal to the net proceeds from the offering received by such Holder. Notwithstanding any other provision of this Section 2.3, if the managing underwriter(s) advise(s) the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, then the Initiating Holders shall so advise all Holders of Registrable Securities that otherwise would be underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be allocated among such Holders of Registrable Securities, including the Initiating Holders, in proportion (as nearly as practicable) to the number of Registrable Securities owned by each Holder or in such other proportion as shall mutually be agreed to by all such selling Holders; provided, however, that the number of Registrable Securities held by the Holders to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest one hundred (100) shares.

(b) In connection with any offering involving an underwriting of shares of the Company's capital stock pursuant to Section 2.2, the Company shall not be required to include any of the Holders' Registrable Securities in such underwriting unless the Holders accept the terms of the underwriting as agreed upon between the Company and its underwriters, and then only in such quantity as the underwriters in their sole discretion determine will not jeopardize the success of the offering by the Company. If the total number of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the number of securities to be sold (other than by the Company) that the underwriters in their reasonable discretion determine is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters and the Company in their sole discretion determine will not jeopardize the success of the offering. If the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such offering, then the Registrable Securities that are included in such offering shall be allocated among the selling Holders in proportion (as nearly as practicable to) the number of Registrable Securities owned by each selling Holder or in such other proportions as shall mutually be agreed to by all such selling Holders. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest one hundred (100) shares. Notwithstanding the foregoing, in no event shall (i) the number of Registrable Securities included in the offering be reduced unless all other securities (other than securities to be sold by the Company) are first entirely excluded from the offering, or (ii) the number of Registrable Securities included in the offering be reduced below thirty percent (30%) of the total number of securities included in such offering, unless such offering is the IPO, in which case the selling Holders may be excluded further if the underwriters make the determination described above and no other stockholder's securities are included in such offering. For purposes of the provision in this Section 2.3(b) concerning apportionment, for any selling Holder that is a partnership, limited liability company, or corporation, the partners, members, retired partners, retired members, stockholders, and Affiliates of such Holder, or the estates and Immediate Family Members of any such partners, retired partners, members, and retired members and any trusts for the benefit of any of the foregoing Persons, shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate number of Registrable Securities owned by all Persons included in such "selling Holder," as defined in this sentence.

(c) For purposes of Section 2.1, a registration shall not be counted as "effected" if, as a result of an exercise of the underwriter's cutback provisions in Section 2.3(a), fewer than fifty percent (50%) of the total number of Registrable Securities that Holders have requested to be included in such registration statement are actually included.

2.4 Obligations of the Company. Whenever required under this Section 2 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such registration statement to become effective and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to one hundred twenty (120) days or, if earlier, until the distribution contemplated in the registration statement has been completed; provided, however, that such one hundred twenty (120) day period shall be extended for a period of time equal to the period the Holder refrains, at the request of an underwriter of Common Stock (or other securities) of the Company, from selling any securities included in such registration;

(b) prepare and file with the SEC such amendments and supplements to such registration statement, and the prospectus used in connection with such registration statement, as may be necessary to comply with the Securities Act in order to enable the disposition of all securities covered by such registration statement;

(c) furnish to the selling Holders such numbers of copies of a prospectus, including a preliminary prospectus, as required by the Securities Act, and such other documents as the Holders may reasonably request in order to facilitate their disposition of their Registrable Securities;

(d) use its commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or blue-sky laws of such jurisdictions as shall be reasonably requested by the selling Holders; provided that the Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(e) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the underwriter(s) of such offering;

(f) use its commercially reasonable efforts to cause all such Registrable Securities covered by such registration statement to be listed on a national securities exchange or trading system and each securities exchange and trading system (if any) on which similar securities issued by the Company are then listed;

(g) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and provide a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(h) promptly make available for inspection by the selling Holders, any managing underwriter(s) participating in any disposition pursuant to such registration statement, and any attorney or accountant or other agent retained by any such underwriter or selected by the selling Holders, all financial and other records, pertinent corporate documents, and properties of the Company, and cause the Company's officers, directors, employees, and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant, or agent, in each case, as necessary or advisable to verify the accuracy of the information in such registration statement and to conduct appropriate due diligence in connection therewith;

(i) notify each selling Holder, promptly after the Company receives notice thereof, of the time when such registration statement has been declared effective or a supplement to any prospectus forming a part of such registration statement has been filed; and

(j) after such registration statement becomes effective, notify each selling Holder of any request by the SEC that the Company amend or supplement such registration statement or prospectus.

In addition, the Company shall ensure that, at all times after any registration statement covering a public offering of securities of the Company under the Securities Act shall have become effective, its insider trading policy shall provide that the Company's directors may implement a trading program under Rule 10b5-1 of the Exchange Act.

2.5 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as is reasonably required to effect the registration of such Holder's Registrable Securities.

2.6 Expenses of Registration. All expenses (other than Selling Expenses) incurred in connection with registrations, filings, or qualifications pursuant to Section 2, including all registration, filing, and qualification fees; printers' and accounting fees; fees and disbursements of counsel for the Company; and the reasonable fees and disbursements, not to exceed $30,000 of one counsel for the selling Holders ("**Selling Holder Counsel**"), shall be borne and paid by the Company; provided, however, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 2.1 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all selling Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration), unless the Holders of a majority of the Registrable Securities agree to forfeit their right to one registration pursuant to Sections 2.1(a) or 2.1(b), as the case may be; provided further that if, at the time of such withdrawal, the Holders shall have learned of a material adverse change in the condition, business, or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness after learning of such information then the Holders shall not be required to pay any of such expenses and shall not forfeit their right to one registration pursuant to Sections 2.1(a) or 2.1(b). All Selling Expenses relating to Registrable Securities registered pursuant to this Section 2 (other than fees and disbursements of counsel to any Holder, other than the Selling Holder Counsel, which shall be borne solely by the Holder engaging such counsel) shall be borne and paid by the Holders pro rata on the basis of the number of Registrable Securities registered on their behalf.

2.7 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any registration pursuant to this Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.8 Indemnification. If any Registrable Securities are included in a registration statement under this Section 2:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each selling Holder, and the partners, members, officers, directors, and stockholders of each such Holder; legal counsel and accountants for each such Holder; any underwriter (as defined in the Securities Act) for each such Holder; and each Person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any Damages, and the Company will pay to each such Holder, underwriter, controlling Person, or other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Section 2.8(a) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable for any Damages to the extent that they arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of any such Holder, underwriter, controlling Person, or other aforementioned Person expressly for use in connection with such registration.

(b) To the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, and each of its directors, each of its officers who has signed the registration statement, each Person (if any), who controls the Company within the meaning of the Securities Act, legal counsel and accountants for the Company, any underwriter (as defined in the Securities Act), any other Holder selling securities in such registration statement, and any controlling Person of any such underwriter or other Holder, against any Damages, in each case only to the extent that such Damages arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of such selling Holder expressly for use in connection with such registration; and each such selling Holder will pay to the Company and each other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Section 2.8(b) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; and provided further that in no event shall the aggregate amounts payable by any Holder by way of indemnity or contribution under Sections 2.8(b) and 2.8(d) exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of fraud or willful misconduct by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 2.8 of notice of the commencement of any action (including any governmental action) for which a party may be entitled to indemnification hereunder, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 2.8, give the indemnifying party notice of the commencement thereof. The indemnifying party shall have the right to participate in such action and, to the extent the indemnifying party so desires, participate jointly with any other indemnifying party to which notice has been given, and to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such action. The failure to give notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of any liability to the indemnified party under this Section 2.8, to the extent that such failure materially prejudices the indemnifying party's ability to defend such action. The failure to give notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 2.8.

(d) To provide for just and equitable contribution to joint liability under the Securities Act in any case in which either: (i) any party otherwise entitled to indemnification hereunder makes a claim for indemnification pursuant to this Section 2.8 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case, notwithstanding the fact that this Section 2.8 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any party hereto for which indemnification is provided under this Section 2.8, then, and in each such case, such parties will contribute to the aggregate losses, claims, damages, liabilities, or expenses to which they may be subject (after contribution from others) in such proportion as is appropriate to reflect the relative fault of each of the indemnifying party and the indemnified party in connection with the statements, omissions, or other actions that resulted in such loss, claim, damage, liability, or expense, as well as to reflect any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or allegedly untrue statement of a material fact, or the omission or alleged omission of a material fact, relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; provided, however, that, in any such case (x) no Holder will be required to contribute any amount in excess of the public offering price of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement, and (y) no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation; and provided further that in no event shall a Holder's liability pursuant to this Section 2.8(d), when combined with the amounts paid or payable by such Holder pursuant to Section 2.8(b), exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of willful misconduct or fraud by such Holder.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control; provided, however, that any matter expressly provided for or addressed by the foregoing provisions that is not expressly provided for or addressed by the underwriting agreement shall be controlled by the foregoing provisions.

(f) Unless otherwise superseded by an underwriting agreement entered into in connection with the underwritten public offering, the obligations of the Company and Holders under this Section 2.8 shall survive the completion of any offering of Registrable Securities in a registration under this Section 2, and otherwise shall survive the termination of this Agreement or any provision(s) of this Agreement.

2.9 Reports Under Exchange Act. With a view to making available to the Holders the benefits of SEC Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company shall:

(a) make and keep available adequate current public information, as those terms are understood and defined in SEC Rule 144, at all times after the effective date of the registration statement filed by the Company for the IPO;

(b) use commercially reasonable efforts to file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after the Company has become subject to such reporting requirements); and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) to the extent accurate, a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after ninety (90) days after the effective date of the registration statement filed by the Company for the IPO), the Securities Act, and the Exchange Act (at any time after the Company has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after the Company so qualifies); (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company; and (iii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration (at any time after the Company has become subject to the reporting requirements under the Exchange Act) or pursuant to Form S-3 (at any time after the Company so qualifies to use such form).

2.10 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders of a majority of the Registrable Securities then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company that would (i) provide to such holder or prospective holder the right to include securities in any registration on other than either a pro rata basis with respect to the Registrable Securities or on a subordinate basis after all Holders have had the opportunity to include in the registration and offering all shares of Registrable Securities that they wish to so include; or (ii) allow such holder or prospective holder to initiate a demand for registration of any securities held by such holder or prospective holder; provided that this limitation shall not apply to Registrable Securities acquired by any additional Investor that becomes a party to this Agreement in accordance with Section 6.9.

2.11 "Market Stand-off" Agreement. Each Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the registration by the Company for its own behalf of shares of its Common Stock or any other equity securities under the Securities Act on a registration statement on Form S-1, and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days), (i) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Common Stock held immediately before the effective date of the registration statement for such offering or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash, or otherwise. The foregoing provisions of this Section 2.11 shall apply only to the IPO, (A) shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement in an IPO or to the establishment of a trading plan pursuant to Rule 10b5-1, provided that such plan does not permit transfers during the restricted period, or the transfer of any shares to any trust for the direct or indirect benefit of the Holder or the immediate family of the Holder, provided that the trustee of the trust agrees to be bound in writing by the restrictions set forth herein, and provided further that any such transfer shall not involve a disposition for value, (B) shall not apply to any shares of Common Stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Common Stock acquired in such offering or after the effective date of the registration statement for such offering and (C) shall be applicable to the Holders only if all officers and directors of the Company are subject to the same restrictions and the Company obtains a similar agreement from (or has entered into an agreement containing a similar market stand-off with) all stockholders individually owning more than one percent (1%) of the Company's outstanding Common Stock (after giving effect to conversion into Common Stock of all outstanding Preferred Stock). The underwriters in connection with such registration are intended third-party beneficiaries of this Section 2.11 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such registration that are consistent with this Section 2.11 or that are necessary to give further effect thereto. Any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the underwriters shall apply pro rata to all Company stockholders that are subject to such agreements, based on the number of shares subject to such agreements.

2.12 Restrictions on Transfer.

(a) The Preferred Stock and the Registrable Securities shall not be sold, pledged, or otherwise transferred, and the Company shall not recognize and shall issue stop-transfer instructions to its transfer agent with respect to any such sale, pledge, or transfer, except upon the conditions specified in this Agreement, which conditions are intended to ensure compliance with the provisions of the Securities Act. A transferring Holder will cause any proposed purchaser, pledgee, or transferee of the Preferred Stock and the Registrable Securities held by such Holder to agree to take and hold such securities subject to the provisions and upon the conditions specified in this Agreement. Notwithstanding the foregoing, the Company shall not require any transferee of shares pursuant to an effective registration statement or, following the IPO, SEC Rule 144, in each case, to be bound by the terms of this Section 2.12.

(b) Each certificate, instrument, or book entry representing (i) the Preferred Stock, (ii) the Registrable Securities, and (iii) any other securities issued in respect of the securities referenced in clauses (i) and (ii), upon any stock split, stock dividend, recapitalization, merger, consolidation, or similar event, shall (unless otherwise permitted by the provisions of Section 2.12(c)) be notated with a legend substantially in the following form:

THE SECURITIES REPRESENTED HEREBY HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. SUCH SHARES MAY NOT BE SOLD, PLEDGED, OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR A VALID EXEMPTION FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SAID ACT.

THE SECURITIES REPRESENTED HEREBY MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

The Holders consent to the Company making a notation in its records and giving instructions to any transfer agent of the Restricted Securities in order to implement the restrictions on transfer set forth in this Section 2.12.

(c) The holder of such Restricted Securities, by acceptance of ownership thereof, agrees to comply in all respects with the provisions of this Section 2. Before any proposed sale, pledge, or transfer of any Restricted Securities, unless there is in effect a registration statement under the Securities Act covering the proposed transaction or following the IPO, the transfer is made pursuant to SEC Rule 144, the Holder thereof shall give notice to the Company of such Holder's intention to effect such sale, pledge, or transfer, provided that no such notice shall be required in connection if the intended sale, pledge or transfer complies with SEC Rule 144. Each such notice shall describe the manner and circumstances of the proposed sale, pledge, or transfer in sufficient detail and, if reasonably requested by the Company, shall be accompanied at such Holder's expense by either (i) a written opinion of legal counsel who shall, and whose legal opinion shall, be reasonably satisfactory to the Company, addressed to the Company, to the effect that the proposed transaction may be effected without registration under the Securities Act; (ii) a "no action" letter from the SEC to the effect that the proposed sale, pledge, or transfer of such Restricted Securities without registration will not result in a recommendation by the staff of the SEC that action be taken with respect thereto; or (iii) any other evidence reasonably satisfactory to counsel to the Company to the effect that the proposed sale, pledge, or transfer of the Restricted Securities may be effected without registration under the Securities Act, whereupon the Holder of such Restricted Securities shall be entitled to sell, pledge, or transfer such Restricted Securities in accordance with the terms of the notice given by the Holder to the Company. The Company will not require such a notice, legal opinion or "no action" letter (x) in any transaction in compliance with SEC Rule 144; or (y) in any transaction in which such Holder distributes Restricted Securities to an Affiliate of such Holder for no consideration; provided that each transferee agrees in writing to be subject to the terms of this Section 2.12. Each certificate, instrument, or book entry representing the Restricted Securities transferred as above provided shall be notated with, except if such transfer is made pursuant to SEC Rule 144, the appropriate restrictive legend set forth in Section 2.12(b), except that such certificate instrument, or book entry shall not be notated with such restrictive legend if, in the opinion of counsel for such Holder and the Company, such legend is not required in order to establish compliance with any provisions of the Securities Act.

2.13 Termination of Registration Rights. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Sections 2.1 or 2.2 shall terminate upon the earliest to occur of:

(a) the closing of a Deemed Liquidation Event, as such term is defined in the Certificate of Incorporation;

(b) such time after consummation of the IPO as SEC Rule 144 or another similar exemption under the Securities Act is available for the sale of all of such Holder's shares without limitation, during a three (3)-month period without registration and without the requirement for the Company to be in compliance with the current public information requirements of SEC Rule 144;

(c) the fifth (5th) anniversary of the IPO.

3. Information and Observer Rights.

3.1 Delivery of Financial Statements. The Company shall deliver to each Major Investor, provided that the Board of Directors has not reasonably determined that such Major Investor is a Competitor:

(a) as soon as practicable, but in any event within 120 days after the end of each fiscal year, (i) an balance sheet as of the end of such year, (ii) an statements of income and of cash flows for such year, and (iii) an statement of stockholders' equity as of the end of such year, all such financial statements prepared in accordance with GAAP and audited and certified by independent public accountants of nationally recognized standing selected by the Company;

(b) as soon as practicable, but in any event within 45 days after the end of each quarter of each fiscal year of the Company, unaudited statements of income and cash flows for such fiscal quarter, and an unaudited balance sheet and a statement of stockholders' equity as of the end of such fiscal quarter, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments; and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(c) as soon as practicable, but in any event 30 days before the end of each fiscal year, a budget and business plan for the next fiscal year, prepared on a monthly basis, including balance sheets, income statements, and statements of cash flow for such months and, promptly after prepared, any other budgets or revised budgets prepared by the Company (such budget and business plan that is approved by the Board of Directors is collectively referred to herein as the "**Budget**");

(d) as soon as practicable, but in any event within 45 days after the end of each quarter of each fiscal year of the Company, a statement showing the number of shares of each class and series of capital stock and securities convertible into or exercisable for shares of capital stock outstanding at the end of the period, the Common Stock issuable upon conversion or exercise of any outstanding securities convertible or exercisable for Common Stock and the exchange ratio or exercise price applicable thereto, and the number of shares of issued stock options and stock options not yet issued but reserved for issuance, if any, all in sufficient detail as to permit the Major Investors to calculate their respective percentage equity ownership in the Company; and

(e) such other information relating to the financial condition, business, prospects, or corporate affairs of the Company as any Major Investor may from time to time reasonably request; provided, however, that the Company shall not be obligated under this Section 3.1 to provide information (i) that the Company reasonably determines in good faith to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in a form acceptable to the Company); or (ii) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

If, for any period, the Company has any subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such consolidated subsidiaries.

Notwithstanding anything else in this Section 3.1 to the contrary, the Company may cease providing the information set forth in this Section 3.1 during the period starting with the date sixty (60) days before the Company's good-faith estimate of the date of filing of a registration statement if it reasonably concludes it must do so to comply with the SEC rules applicable to such registration statement and related offering; provided that the Company's covenants under this Section 3.1 shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such registration statement to become effective.

3.2 Inspection. The Company shall permit each Major Investor (provided that the Board of Directors has not reasonably determined that such Major Investor is a competitor of the Company), at such Major Investor's expense, to visit and inspect the Company's properties; examine its books of account and records; and discuss the Company's affairs, finances, and accounts with its officers, during normal business hours of the Company as may be reasonably requested by the Major Investor; provided, however, that the Company shall not be obligated pursuant to this Section 3.2 to provide access to any information that it reasonably and in good faith considers to be a trade secret or confidential information or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

3.3 Observer Rights.

(a) As long as Sofinnova owns not less than 136,710 shares of Preferred Stock (as adjusted for stock splits, stock combinations, stock dividends and the like), the Company shall invite a representative of Sofinnova to attend all meetings of the Board of Directors in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to the Board of Directors concurrently with such provision to the directors; provided, however, that such representative shall agree to hold in confidence all information so provided; and provided further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if (x) access to such information or attendance at such meeting would be reasonably likely to adversely affect the attorney-client privilege between the Company and its counsel, result in disclosure of trade secrets or highly confidential information, or create a competitive harm or competitive disadvantage, or (y) the portion as to which such representative is excluded relates solely to subject matter in which the Investor or such representative may have a conflict of interest, or (z) if such Investor or its representative is a Competitor.

(b) As long as Viking owns not less than 369,117 shares of Preferred Stock (as adjusted for stock splits, stock combinations, stock dividends and the like), the Company shall invite a representative of Viking to attend all meetings of the Board of Directors in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to the Board of Directors concurrently with such provision to the directors; provided, however, that such representative shall agree to hold in confidence all information so provided; and provided further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if (x) access to such information or attendance at such meeting would be reasonably likely to adversely affect the attorney-client privilege between the Company and its counsel, result in disclosure of trade secrets or highly confidential information, or create a competitive harm or competitive disadvantage, or (y) the portion as to which such representative is excluded relates solely to subject matter in which the Investor or such representative may have a conflict of interest, or (z) if such Investor or its representative is a Competitor.

3.4 Termination of Information and Observer Rights. The covenants set forth in Section 3.1, Section 3.2 and Section 3.3 shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) upon the closing of a Deemed Liquidation Event, as such term is defined in the Certificate of Incorporation, whichever event occurs first; provided, that, with respect to clause (iii), the covenants set forth in Section 3.1 shall only terminate if the consideration received by the Investors in such Deemed Liquidation Event is in the form of cash and/or publicly traded securities or if the Investors receive financial information from the acquiring company or other successor to the Company comparable to those set forth in Section 3.1.

3.5 Confidentiality. Each Investor agrees that such Investor will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor or make decisions with respect to its investment in the Company) any confidential information obtained from the Company pursuant to the terms of this Agreement (including notice of the Company's intention to file a registration statement), unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this Section 3.5 by such Investor),(b) is or has been independently developed or conceived by such Investor without use of the Company's confidential information, or (c) is or has been made known or disclosed to such Investor by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that an Investor may disclose confidential information (i) to its attorneys, accountants, consultants, and other professionals to the extent reasonably necessary to obtain their services in connection with monitoring its investment in the Company; (ii) to any financing sources or prospective purchaser of any Registrable Securities from such Investor, if such financing source or prospective purchaser agrees to be bound by the provisions of this Section 3.5 (or similar confidentiality provisions no less restrictive than those contain therein); (iii) to any existing or prospective Affiliate, partner, member, stockholder, or wholly owned subsidiary of such Investor (excluding portfolio companies and similar Persons) with a need to know such information, provided that such Investor informs such Person that such information is confidential and directs such Person to maintain the confidentiality of such information (and provided further, in each of the foregoing cases (i)-(iii), that (x) no Investor may disclose confidential information to any Person that is a Competitor of the Company or any Affiliate of any such Person, and (y) if any Investor makes any disclosure of confidential information directly or indirectly to any Person, such Person shall be subject to this Section 3.5 as if it were such Investor); or (iv) as may otherwise be required by law, regulation, rule, court order or subpoena, provided that such Investor promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure and to obtain confidential treatment of the information disclosed.

3.6 Limitation on Foreign Person Investors. Notwithstanding the covenants set forth in Sections 3.1 and 3.2, the Company shall not provide any Investor that is a Foreign Person access to any "material non-public technical information" within the meaning of the DPA.

4. Rights to Future Stock Issuances.

4.1 Right of First Offer. Subject to the terms and conditions of this Section 4.1 and applicable securities laws, if the Company proposes to offer or sell any New Securities, the Company shall first offer such New Securities to each Major Investor. A Major Investor shall be entitled to apportion the right of first offer hereby granted to it in such proportions as it deems appropriate, among (i) itself, (ii) its Affiliates and (iii) its beneficial interest holders, such as limited partners, members or any other Person having "beneficial ownership," as such term is defined in Rule 13d-3 promulgated under the Exchange Act, of such Major Investor ("**Investor Beneficial Owners**"); provided that each such Affiliate or Investor Beneficial Owner (x) is not a Competitor or FOIA Party, unless such party's purchase of New Securities is otherwise consented to by the Board of Directors, and (y) agrees to enter into this Agreement and each of the Voting Agreement of even date herewith among the Company, the Investors and the other parties named therein, as an "**Investor**" under each such agreement (provided that any Competitor or FOIA Party shall not be entitled to any rights as a Major Investor under Sections 3.1, 3.2 and 4.1 hereof).

(a) The Company shall give notice (the "**Offer Notice**") to each Major Investor, stating (i) its bona fide intention to offer such New Securities, (ii) the number of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

(b) By notification to the Company within twenty (20) days after the Offer Notice is given, each Major Investor may elect to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to that portion of such New Securities which equals the proportion that the Common Stock then held by such Major Investor (including all shares of Common Stock then issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held by such Major Investor) bears to the total Common Stock of the Company then outstanding (assuming full conversion and/or exercise, as applicable, of all Preferred Stock and any other Derivative Securities then outstanding). At the expiration of such twenty (20) day period, the Company shall promptly notify each Major Investor that elects to purchase or acquire all the shares available to it (each, a "**Fully Exercising Investor**") of any other Major Investor's failure to do likewise. During the ten (10) day period commencing after the Company has given such notice, each Fully Exercising Investor may, by giving notice to the Company, elect to purchase or acquire, in addition to the number of shares specified above, up to that portion of the New Securities for which Major Investors were entitled to subscribe but that were not subscribed for by the Major Investors which is equal to the proportion that the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of Preferred Stock and any other Derivative Securities then held, by such Fully Exercising Investor bears to the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held, by all Fully Exercising Investors who wish to purchase such unsubscribed shares. The closing of any sale pursuant to this Section 4.1(b) shall occur within the later of ninety (90) days of the date that the Offer Notice is given and the date of initial sale of New Securities pursuant to Section 4.1(c).

(c) If all New Securities referred to in the Offer Notice are not elected to be purchased or acquired as provided in Section 4.1(b), the Company may, during the ninety (90) day period following the expiration of the periods provided in Section 4.1(b), offer and sell the remaining unsubscribed portion of such New Securities to any Person or Persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Offer Notice. If the Company does not enter into an agreement for the sale of the New Securities within such period, or if such agreement is not consummated within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the Major Investors in accordance with this Section 4.1.

(d) The right of first offer in this Section 4.1 shall not be applicable to (i) Exempted Securities (as defined in the Certificate of Incorporation); (ii) shares of Common Stock issued in the IPO; and (iii) the issuance of shares of Preferred Stock to Additional Purchasers pursuant to Section 1.4 of the Purchase Agreement.

4.2 Termination. The covenants set forth in Section 4.1 shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO, or (ii) upon the closing of a Deemed Liquidation Event, as such term is defined in the Certificate of Incorporation, whichever event occurs first.

4.3 Limitation on Foreign Person Investors. Notwithstanding the covenants set forth in Section 4.1, no Investor that is a Foreign Person shall be permitted to obtain greater than nine and nine-tenths percent (9.9%) of the outstanding voting shares of the Company, without the approval of the Board of Directors.

5. Additional Covenants.

5.1 Insurance. The Company shall maintain from financially sound and reputable insurers, Directors and Officers liability insurance in an amount and on terms and conditions satisfactory to the Board of Directors, including a majority of the Preferred Directors then seated, and will use commercially reasonable efforts to cause such insurance policies to be maintained until such time as the Board of Directors, including a majority of the Preferred Directors then seated, determines that such insurance should be discontinued. Notwithstanding any other provision of this Section 5.1 to the contrary, during such time(s) as one or more directors elected by holders of one or more series of Preferred Stock is serving on the Board of Directors, the Company shall upon request from any such holder deliver to each such holder a certificate that such a Directors and Officers liability insurance policy remains in effect.

5.2 Employee Agreements. Unless otherwise approved by the Board of Directors, the Company will cause (i) each Person now or hereafter employed by it or by any subsidiary (or engaged by the Company or any subsidiary as a consultant/independent contractor) with access to confidential information and/or trade secrets to enter into a nondisclosure, proprietary rights assignment and, to the extent legally permissible and desirable by the Company, non-solicitation agreement. In addition, the Company shall not amend, modify, terminate, waive, or otherwise alter, in whole or in part, any of the above-referenced agreements or any restricted stock agreement between the Company and any employee, without the consent of the Board of Directors.

5.3 Employee Stock. Unless otherwise approved by the Board of Directors, all future employees of the Company who purchase, receive options to purchase, or receive awards of shares of the Company's capital stock after the date hereof shall be required to execute restricted stock or option agreements, as applicable, providing for (i) vesting of shares over a four (4) year period, with the first twenty-five percent (25%) of such shares vesting following twelve (12) months of continued employment or service, and the remaining shares vesting in equal monthly installments over the following thirty-six (36) months, and (ii) a market stand-off provision substantially similar to that in Section 2.11. Without the prior approval by the Board of Directors, the Company shall not amend, modify, terminate, waive or otherwise alter, in whole or in part, any stock purchase, stock restriction or option agreement with any existing employee or service provider if such amendment would cause it to be inconsistent with this Section 5.3. In addition, unless otherwise approved by the Board of Directors, the Company (x) shall not offer or allow any acceleration of vesting, and (y) shall retain (and not waive) a "right of first refusal" on employee transfers until the Company's IPO and shall have the right to repurchase unvested shares at cost upon termination of employment of a holder of restricted stock.

5.4 Board Matters. The Company shall reimburse the directors for all reasonable out-of-pocket travel expenses incurred (consistent with the Company's travel policy) in connection with attending meetings of the Board of Directors.

5.5 Successor Indemnification. If the Company or any of its successors or assignees consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger, then to the extent necessary, proper provision shall be made so that the successors and assignees of the Company assume the obligations of the Company with respect to indemnification of members of the Board of Directors as in effect immediately before such transaction, whether such obligations are contained in the Company's Bylaws, the Certificate of Incorporation, or elsewhere, as the case may be.

5.6 Indemnification Matters. The Company hereby acknowledges that one (1) or more of the Directors nominated to serve on the Board of Directors by one (1) or more Investors may have certain rights to indemnification, advancement of expenses and/or insurance provided by one (1) or more of the Investors and certain of their Affiliates (collectively, the "**Investor Indemnitors**"). The Company hereby agrees (a) that it is the indemnitor of first resort (*i.e.*, its obligations to any such Director are primary and any obligation of the Investor Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Director are secondary), (b) that it shall be required to advance the full amount of expenses incurred by such Director and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement by or on behalf of any such Director to the extent legally permitted and as required by the Certificate of Incorporation or Bylaws of the Company (or any agreement between the Company and such Director), without regard to any rights such Director may have against the Investor Indemnitors, and, (c) that it irrevocably waives, relinquishes and releases the Investor Indemnitors from any and all claims against the Investor Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Investor Indemnitors on behalf of any such Director with respect to any claim for which such Director has sought indemnification from the Company shall affect the foregoing and the Investor Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Director against the Company. The Directors and the Investor Indemnitors are intended third-party beneficiaries of this Section 5.6 and shall have the right, power and authority to enforce the provisions of this Section 5.6 as though they were a party to this Agreement.

5.7 Right to Conduct Activities. The Company hereby agrees and acknowledges that each of ARCH, Fidelity, Invus, Slate Path, Alexandria Venture Investments, Rock Springs, Sofinnova and Viking (together with their Affiliates) (each, a "**Professional Investment Organization**") is a professional investment organization, and as such reviews the business plans and related proprietary information of many enterprises, some of which may compete directly or indirectly with the Company's business (as currently conducted or as currently propose to be conducted). Nothing in this Agreement shall preclude or in any way restrict the Professional Investment Organization from evaluating or purchasing securities, including publicly traded securities, of a particular enterprise, or investing or participating in any particular enterprise whether or not such enterprise has products or services that compete with those of the Company; and the Company hereby agrees that, to the extent permitted under applicable law, no Professional Investment Organization shall be liable to the Company for any claim arising out of, or based upon, (i) the investment by such Professional Investment Organization in any entity competitive with the Company, or (ii) actions taken by any partner, officer, employee or other representative of such Professional Investment Organization to assist any such competitive company, whether or not such action was taken as a member of the board of directors of such competitive company or otherwise, and whether or not such action has a detrimental effect on the Company; provided, however, that the foregoing shall not contravene the confidentiality obligations in Section 3.4 or otherwise in this Agreement or relieve (x) any of the Investors from liability associated with the unauthorized disclosure of the Company's confidential information obtained pursuant to this Agreement, or (y) any director or officer of the Company from any liability associated with such person's fiduciary duties to the Company.

5.8 Cash Management Policy. The Company shall adopt and maintain a cash management policy approved by the Board and the Company's Chief Financial Officer (or, if the Company does not have a Chief Financial Officer, the Company's Chief Executive Officer and/or highest-level finance manager). Such cash management policy shall include a requirement that the Company holds accounts at more than one bank or, if the Company holds accounts at only one bank, that the Company holds more than one account at such bank with at least one account that is off the bank's balance sheet (for example, a sweep account or money market account). The Company shall provide a monthly statement to the Major Investors illustrating the Company's cash balance and the accounts in which the Company's cash is held.

5.9 Cybersecurity. The Company shall, within 180 days following the date of this Agreement, use commercially reasonable efforts to: (a) identify the Company's confidential business information, trade secrets, and any information about identified or identifiable natural persons maintained, disclosed, or otherwise processed by or on behalf of the Company (collectively, "**Protected Data**") and the Company's servers, laptops, desktops, cloud computing, containers, virtual environments, data centers, and/or other Company or vendor systems and applications that process Protected Data, or are used to provide, host or enable the Company's operations or services (collectively, "**Systems**"), (b) restrict access to Protected Data and Systems to those individuals or entities who have a need to access such Protected Data and Systems, (c) conduct a commercially reasonable risk assessment to evaluate the potential risks, vulnerabilities, and threats to Protected Data and Systems, (d) implement and maintain commercially reasonable physical, technical and administrative safeguards designed to protect the security, confidentiality, integrity and availability of all Protected Data and Systems, and (e) provide its applicable employees, agents, and contractors with privacy and security training as determined reasonably necessary by the Company.

5.10 CFIUS and Foreign Person Limitations.

(a) Unless otherwise approved by the Board of Directors, the Company will not provide to any Foreign Person any DPA Triggering Rights. No Investor that is a Foreign Person shall be permitted to obtain any DPA Triggering Rights or a voting equity interest in the Company that exceeds 9.9% of the Company's total voting securities pursuant to the Purchase Agreement, Section 4 of this Agreement, or otherwise, including by way of any secondary transaction(s), without the approval of the Board of Directors.

(b) Each Investor covenants that it will notify the Company in advance of permitting any Foreign Person affiliated with Investor, whether affiliated as a limited partner or otherwise, to obtain through Investor any DPA Triggering Rights.

5.11 FCPA. The Company covenants that it shall not (and shall not permit any of its subsidiaries or any of its or their respective directors, officers, managers, employees, independent contractors, representatives or agents to) promise, authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, to any third party, including any "Government Official" (as defined in the Purchase Agreement), in each case, in violation of the U.S. Foreign Corrupt Practices Act (the "**FCPA**"), or any other applicable anti-bribery or anti-corruption law (collectively, "**Anti-Corruption Laws**"). The Company further covenants that it shall (and shall cause each of its subsidiaries to) cease all of its or their respective known activities, as well as remediate any known actions taken by the Company or its subsidiaries, or any of their respective directors, officers, managers, employees, independent contractors, representatives or agents, in violation of applicable Anti-Corruption Laws. The Company further covenants that it shall (and shall cause each of its subsidiaries to), within 180 days following the date of this Agreement, maintain commercially reasonable systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to provide reasonable assurances regarding compliance with the applicable Anti-Corruption Laws. Upon request by a Major Investor, the Company agrees to provide responsive information and/or certifications to such Major Investor concerning its compliance with the applicable Anti-Corruption Laws. The Company shall promptly notify each Major Investor if the Company becomes aware of any Enforcement Action (as defined in the Purchase Agreement).

5.12 Outbound Investment Rules.

(a) The Company will not knowingly become, will not knowingly permit any of its subsidiaries to become, and will not knowingly invest in any "covered foreign person" as defined in 31 C.F.R. Part 850, as implemented or revised from time to time (the "**Outbound Investment Rules**") in each case without notifying, where reasonably feasible, each Major Investor in advance of such change or investment.

(b) Each Investor will notify the Company in writing within a reasonable time if it intends to become, or has a reasonable basis to expect it has or will become, a "person of a country of concern" (within the meaning of the Outbound Investment Rules), and, to the extent reasonably practicable, shall provide such notice in advance of such change.

5.13 Subsidiary Governance. The Company shall not permit any subsidiary of the Company to take any action without the approval of the Board of Directors to the extent approval of the Board of Directors would be required in the event such action was to be taken by the Company itself, including the requisite groups of directors whose approval would be required in the event such action was to be taken by the Company itself.

5.14 Tax Matters.

(a) Promptly following (and in any event within ten (10) days after receipt of) written request by an Investor, the Company shall provide such Investor with a written statement informing such Investor whether such Investor's interest in the Company constitutes a United States real property interest. The Company's determination shall comply with the requirements of Treasury Regulation Section 1.897-2(h)(1) or any successor regulation, and the Company shall provide timely notice to the Internal Revenue Service, in accordance with and to the extent required by Treasury Regulation Section 1.897-2(h)(2) or any successor regulation, that such statement has been made. The Company's obligation to furnish such written statement shall continue notwithstanding the fact that a class of the Company's stock may be regularly traded on an established securities market or the fact that there is no Preferred Stock then outstanding.

(b) The Company and Investor agree that it is their intention that (a) the Series B Preferred Stock shall be treated as stock that is not "preferred stock" within the meaning of Section 305 of the Code and the Treasury Regulations issued thereunder, and (b) Investor shall not be required to include in income as a dividend for U.S. federal income tax purposes any income or gain in respect of the Series B Preferred Stock on account of the accrual of dividends thereon (including any deemed dividends or as a result of any discount) unless and until such dividends are declared and paid in cash. The Company and Investor agree to take no positions or actions inconsistent with such treatment (including on any Internal Revenue Service Form 1099), unless otherwise required by a change in applicable law after the Initial Closing, as defined in the Purchase Agreement.

(c) The Company shall use commercially reasonable efforts to cooperate with Investor to structure any redemption of the Series B Preferred Stock permitted under the terms of the Company's Certificate of Incorporation to be treated as a payment in exchange for stock pursuant to Section 302 of the Code.

5.15 Legend Removal. The Company agrees to use its commercially reasonable efforts to assist each Investor to remove any restrictive legends from the share certificates representing the shares of the Company's capital stock (or any shares of capital stock of any entity into which such shares are exchanged or converted) held by such Investor promptly upon the expiration of any lock-up period applicable to the Investor pursuant to any lock-up or similar agreement entered by such Investor in connection with any public offering or listing of the Company's capital stock (or any similar transaction), provided that the Investor is eligible at such time to sell such shares pursuant to the requirements of Rule 144 promulgated under the Securities Act. Each Investor agrees to provide the Company and its agents, including its external legal counsel and transfer agent, as applicable, all documentation reasonably required by such agents to remove restrictive legends from such shares.

5.16 Termination of Covenants. The covenants set forth in this Section 5, except for Section 5.4 and Section 5.15, shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO, or (ii) upon a Deemed Liquidation Event, as such term is defined in the Certificate of Incorporation, whichever event occurs first.

6. Miscellaneous.

6.1 Successors and Assigns. The rights under this Agreement may be assigned (but only with all related obligations) by a Holder to a transferee of Registrable Securities that (i) is an Affiliate of a Holder; (ii) is a Holder's Immediate Family Member or trust for the benefit of an individual Holder or one (1) or more of such Holder's Immediate Family Members; or (iii) after such transfer, together with its Affiliates, would be a Major Investor; provided, however, that (x) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee and the Registrable Securities with respect to which such rights are being transferred; and (y) such transferee agrees in a written instrument delivered to the Company to be bound by and subject to the terms and conditions of this Agreement, including the provisions of Section 2.11. For the purposes of determining the number of shares of Registrable Securities held by a transferee, the holdings of a transferee (1) that is an Affiliate or stockholder of a Holder; (2) who is a Holder's Immediate Family Member; or (3) that is a trust for the benefit of an individual Holder or such Holder's Immediate Family Member shall be aggregated together and with those of the transferring Holder; provided further that all transferees who would not qualify individually for assignment of rights shall, as a condition to the applicable transfer, establish a single attorney-in-fact for the purpose of exercising any rights, receiving notices, or taking any action under this Agreement. The terms and conditions of this Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assignees any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

6.2 Governing Law. This Agreement shall be governed by the internal law of the State of Delaware, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Delaware.

6.3 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

6.4 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

6.5 Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or (i) personal delivery to the party to be notified; (ii) when sent, if sent by electronic mail during the recipient's normal business hours, and if not sent during normal business hours, then on the recipient's next business day; (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one (1) business day after the business day of deposit with a nationally recognized overnight courier, freight prepaid, specifying next-day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their addresses as set forth on their signature page, Schedule A hereto, or (as to the Company) to the principal office of the Company and to the attention of the Chief Executive Officer, or in any case to such email address or address as subsequently modified by written notice given in accordance with this Section 6.5. If notice is given to the Company, a copy (which copy shall not constitute notice) shall also be sent to Goodwin Procter LLP, 100 Northern Avenue, Boston, MA 02210, Attention: Catherine Magazu, Email: CMagazu@goodwinlaw.com.

6.6 Amendments and Waivers. Any term of this Agreement may be amended, modified or terminated and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the Company and the Requisite Holders; provided that the Company may in its sole discretion waive compliance with Section 2.12(c) (and the Company's failure to object promptly in writing after notification of a proposed assignment allegedly in violation of Section 2.12(c) shall be deemed to be a waiver); and provided further that any provision hereof may be waived by any waiving party on such party's own behalf, without the consent of any other party. Notwithstanding the foregoing, (a) this Agreement may not be amended, modified or terminated and the observance of any term hereof may not be waived with respect to any Investor without the written consent of such Investor, unless such amendment, modification, termination, or waiver applies to all Investors in the same fashion (it being agreed that a waiver of the provisions of Section 4 with respect to a particular transaction shall be deemed to apply to all Investors in the same fashion if such waiver does so by its terms, notwithstanding the fact that certain Investors may nonetheless, by agreement with the Company, purchase securities in such transaction);, (b) Sections 3.1 and 3.2, Section 4 and any other section of this Agreement specifically applicable to the Major Investors (including this clause (b) of this Section 6.6) may be amended, modified, terminated or waived with only the written consent of the Company and the holders of a majority of the Registrable Securities then outstanding and held by the Major Investors, which majority must include the Specified Holders, (c) the definition of "Competitor" and Section 5.7 as it relates to ARCH, in each case, as it relates to ARCH, and this clause (c) of this Section 6.6 may be amended, modified, terminated or waived (either generally in a particular instance and either retroactively or prospectively) only with the written consent of ARCH, (d) the definition of "Competitor" and Section 5.7 as it relates to Fidelity, in each case, as it relates to Fidelity, and this clause (d) of this Section 6.6 may be amended, modified, terminated or waived (either generally in a particular instance and either retroactively or prospectively) only with the written consent of Fidelity, (e) the definition of "Competitor" and Section 5.7 as it relates to Invus, in each case, as it relates to Invus, and this clause (e) of this Section 6.6 may be amended, modified, terminated or waived (either generally in a particular instance and either retroactively or prospectively) only with the written consent of Invus, (f) the definition of "Competitor" and Section 5.7 as it relates to Slate Path, in each case, as it relates to Slate Path, and this clause (f) of this Section 6.6 may be amended, modified, terminated or waived (either generally in a particular instance and either retroactively or prospectively) only with the written consent of Slate Path, (g) the definition of "Competitor" and Section 5.7 as it relates to Rock Springs, in each case, as it relates to Rock Springs, and this clause (g) of this Section 6.6 may be amended, modified, terminated or waived (either generally in a particular instance and either retroactively or prospectively) only with the written consent of Rock Springs, (h) the definition of "Competitor" and Section 5.7 as it relates to Sofinnova and Section 3.3(a), in each case, as it relates to Sofinnova, Section 5.14 and this clause (h) of this Section 6.6 may be amended, modified, terminated or waived (either generally in a particular instance and either retroactively or prospectively) only with the written consent of Sofinnova, and (i) the definition of "Competitor" and Section 5.7 as it relates to Viking and Section 3.3(b), in each case, as it relates to Viking, Section 5.14 and this clause (i) of this Section 6.6 may be amended, modified, terminated or waived (either generally in a particular instance and either retroactively or prospectively) only with the written consent of Viking. Notwithstanding the foregoing, Schedule A hereto may be amended by the Company from time to time to add transferees of any Registrable Securities in compliance with the terms of this Agreement without the consent of the other parties; and Schedule A hereto may also be amended by the Company after the date of this Agreement without the consent of the other parties to add information regarding any additional Investor who becomes a party to this Agreement in accordance with Section 6.9. The Company shall give prompt notice of any amendment, modification or termination hereof or waiver hereunder to any party hereto that did not consent in writing to such amendment, modification, termination, or waiver. Any amendment, modification, termination, or waiver effected in accordance with this Section 6.6 shall be binding on all parties hereto, regardless of whether any such party has consented thereto. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one (1) or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision.

6.7 Severability. In case any one (1) or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by law.

6.8 Aggregation of Stock; Apportionment. All shares of Registrable Securities held or acquired by Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement and such Affiliated Persons may apportion such rights as among themselves in any manner they deem appropriate.

6.9 Additional Investors. Notwithstanding anything to the contrary contained herein, if the Company issues additional shares of Preferred Stock after the date hereof, pursuant to the Purchase Agreement, any purchaser of such shares of Preferred Stock may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement, and thereafter shall be deemed an "Investor" for all purposes hereunder. No action or consent by the Investors shall be required for such joinder to this Agreement by such additional Investor, so long as such additional Investor has agreed in writing to be bound by all of the obligations as an "Investor" hereunder.

6.10 Entire Agreement. Upon the effectiveness of this Agreement, the Prior Agreement shall be deemed amended and restated and superseded and replaced in its entirety by this Agreement, and shall be of no further force or effect. This Agreement (including any Schedules hereto) together with the, Certificate of Incorporation and other Transaction Agreements (as defined in the Purchase Agreement), constitutes the full and entire understanding and agreement among the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties is expressly canceled.

6.11 Dispute Resolution. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of the Commonwealth of Massachusetts, and to the jurisdiction of the United States District Court for the District of Massachusetts for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of the Commonwealth of Massachusetts, or the United States District Court for the District of Massachusetts, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

WAIVER OF JURY TRIAL: TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

6.12 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such nonbreaching or non-defaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

COMPANY:

CITY THERAPEUTICS, INC.

By: /s/ Andrew Orth
Name: Andrew Orth
Title: President and CEO

Address: 399 Binney St.
Cambridge, MA 02142

Email: [***]

Exhibit 10.1

CITY THERAPEUTICS, INC.

2023 STOCK PLAN

ADOPTED ON JULY 17, 2023

TABLE OF CONTENTS

		Page
SECTION 1.	ESTABLISHMENT AND PURPOSE	1
SECTION 2.	ADMINISTRATION	1
(a)	Committees of the Board of Directors	1
(b)	Authority of the Board of Directors	1
SECTION 3.	ELIGIBILITY	1
(a)	General Rule	1
(b)	Ten-Percent Stockholders	1
SECTION 4.	STOCK SUBJECT TO PLAN	2
(a)	Basic Limitation	2
(b)	Additional Shares	2
SECTION 5.	TERMS AND CONDITIONS OF AWARDS OR SALES	2
(a)	Stock Grant or Purchase Agreement	2
(b)	Duration of Offers and Nontransferability of Rights	2
(c)	Purchase Price	3
SECTION 6.	TERMS AND CONDITIONS OF OPTIONS	3
(a)	Stock Option Agreement	3
(b)	Number of Shares	3
(c)	Exercise Price	3
(d)	Vesting and Exercisability	3
(e)	Basic Term	4
(f)	Termination of Service (Except by Death)	4
(g)	Leaves of Absence	4
(h)	Death of Optionee	4
(i)	Restrictions on Transfer of Options	5
(j)	No Rights as a Stockholder	5
(k)	Modification, Extension and Assumption of Options	5
(l)	Company's Right to Cancel Certain Options	5
SECTION 7.	TERMS AND CONDITIONS OF RESTRICTED STOCK UNITS	6
(a)	Restricted Stock Unit Agreement	6
(b)	Payment for Restricted Stock Units	6
(c)	Vesting Conditions	6
(d)	Forfeiture	6
(e)	Voting and Dividend Rights	6
(f)	Form and Time of Settlement of Restricted Stock Units	6
(g)	Death of Recipient	7
(h)	Creditors' Rights	7
(i)	Modification, Extension and Assumption of Restricted Stock Units	7
(j)	Restrictions on Transfer of Restricted Stock Units	7

SECTION 8.	PAYMENT FOR SHARES	7
(a)	General Rule	7
(b)	Services Rendered	7
(c)	Promissory Note	7
(d)	Surrender of Stock	7
(e)	Cashless Exercise	8
(f)	Net Exercise	8
(g)	Other Forms of Payment	8
SECTION 9.	ADJUSTMENT OF SHARES	8
(a)	General	8
(b)	Corporate Transactions	9
(c)	Dissolution or Liquidation	10
(d)	Reservation of Rights	10
SECTION 10.	MISCELLANEOUS PROVISIONS	10
(a)	Securities Law Requirements	10
(b)	No Retention Rights	10
(c)	Treatment as Compensation	10
(d)	Governing Law	11
(e)	Conditions and Restrictions on Shares	11
(f)	Tax Matters	11
SECTION 11.	DURATION AND AMENDMENTS; STOCKHOLDER APPROVAL	12
(a)	Term of the Plan	12
(b)	Right to Amend or Terminate the Plan	12
(c)	Effect of Amendment or Termination	12
(d)	Stockholder Approval	12
SECTION 12.	DEFINITIONS	12

CITY THERAPEUTICS, INC. 2023 STOCK PLAN

SECTION 1. ESTABLISHMENT AND PURPOSE.

The purpose of this Plan is to attract, incentivize and retain Employees, Outside Directors and Consultants through the grant of Awards. The Plan provides for the direct award or sale of Shares, the grant of Options to purchase Shares and the grant of Restricted Stock Units to acquire Shares. Options granted under the Plan may be ISOs intended to qualify under Code Section 422 or NSOs which are not intended to so qualify.

Capitalized terms are defined in Section 12.

SECTION 2. ADMINISTRATION.

(a) **Committees of the Board of Directors**. The Plan may be administered by one or more Committees. Each Committee shall consist, as required by applicable law, of one or more members of the Board of Directors who have been appointed by the Board of Directors. Each Committee shall have such authority and be responsible for such functions as the Board of Directors has assigned to it. If no Committee has been appointed, the entire Board of Directors shall administer the Plan. Any reference to the Board of Directors in the Plan or an Award Agreement shall be construed as a reference to the Committee (if any) to whom the Board of Directors has assigned a particular function.

(b) **Authority of the Board of Directors**. Subject to the provisions of the Plan, the Board of Directors shall have full authority and discretion to take any actions it deems necessary or advisable for the administration of the Plan. Notwithstanding anything to the contrary in the Plan, with respect to the terms and conditions of awards granted to Participants outside the United States, the Board of Directors may vary from the provisions of the Plan to the extent it determines it necessary and appropriate to do so; provided that it may not vary from those Plan terms requiring stockholder approval pursuant to Section 11(d) below. All decisions, interpretations and other actions of the Board of Directors shall be final and binding on all Participants and all persons deriving their rights from a Participant.

SECTION 3. ELIGIBILITY.

(a) **General Rule**. Employees, Outside Directors and Consultants shall be eligible for the grant of Awards under the Plan.[1] However, only Employees shall be eligible for the grant of ISOs.

(b) **Ten-Percent Stockholders**. A person who owns more than 10% of the total combined voting power of all classes of outstanding stock of the Company, its Parent or any of its Subsidiaries shall not be eligible for the grant of an ISO unless (i) the Exercise Price is at least 110% of the Fair Market Value of a Share on the Date of Grant and (ii) such ISO by its terms is not exercisable after the expiration of five years from the Date of Grant. For purposes of this Subsection (b), in determining stock ownership, the attribution rules of Code Section 424(d) shall be applied.

[1] Note that special considerations apply if the Company proposes to grant awards to an Employee or Consultant of a Parent company.

SECTION 4. STOCK SUBJECT TO PLAN.

(a) **Basic Limitation**. Not more than 1,035,000 Shares may be issued under the Plan, subject to Subsection (b) below and Section 9(a).[2] All of these Shares may be issued upon the exercise of ISOs. The Company, during the term of the Plan, shall at all times reserve and keep available sufficient Shares to satisfy the requirements of the Plan. Shares offered under the Plan may be authorized but unissued Shares or treasury Shares.

(b) **Additional Shares**. In the event that Shares previously issued under the Plan are forfeited to or repurchased by the Company due to failure to vest, such Shares shall be added to the number of Shares then available for issuance under the Plan. In the event that Shares that otherwise would have been issuable under the Plan are withheld by the Company in payment of the Purchase Price, Exercise Price or withholding taxes, such Shares shall remain available for issuance under the Plan. In the event that an outstanding Option, Restricted Stock Unit or other right for any reason expires or is canceled, the Shares allocable to the unexercised or unsettled portion of such Option, Restricted Stock Unit or other right shall remain available for issuance under the Plan. To the extent an Award is settled in cash, the cash settlement shall not reduce the number of Shares remaining available for issuance under the Plan. Notwithstanding the foregoing, in the case of ISOs, this Subsection (b) shall be subject to any limitations imposed under Section 422 of the Code and the treasury regulations thereunder.

SECTION 5. TERMS AND CONDITIONS OF AWARDS OR SALES.

(a) **Stock Grant or Purchase Agreement**. Each award of Shares under the Plan shall be evidenced by a Stock Grant Agreement between the Grantee and the Company. Each sale of Shares under the Plan (other than upon exercise of an Option) shall be evidenced by a Stock Purchase Agreement between the Purchaser and the Company. Such award or sale shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Board of Directors deems appropriate for inclusion in a Stock Grant Agreement or Stock Purchase Agreement. The provisions of the various Stock Grant Agreements and Stock Purchase Agreements entered into under the Plan need not be identical.

(b) **Duration of Offers and Nontransferability of Rights**. Any right to purchase Shares under the Plan (other than an Option) shall automatically expire if not exercised by the Purchaser within 30 days (or such other period as may be specified in the Award Agreement) after the grant of such right was communicated to the Purchaser by the Company. Such right is not transferable and may be exercised only by the Purchaser to whom such right was granted.

[2] Please refer to Exhibit A for a schedule of the initial share reserve and any subsequent increases in the reserve.

(c) **Purchase Price**. The Board of Directors shall determine the Purchase Price of Shares to be offered under the Plan at its sole discretion. The Purchase Price shall be payable in a form described in Section 8.

SECTION 6. TERMS AND CONDITIONS OF OPTIONS.

(a) **Stock Option Agreement**. Each grant of an Option under the Plan shall be evidenced by a Stock Option Agreement between the Optionee and the Company. The Option shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions that are not inconsistent with the Plan and that the Board of Directors deems appropriate for inclusion in a Stock Option Agreement. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical.

(b) **Number of Shares**. Each Stock Option Agreement shall specify the number of Shares that are subject to the Option and shall provide for the adjustment of such number in accordance with Section 9. The Stock Option Agreement shall also specify whether the Option is an ISO or an NSO.

(c) **Exercise Price**.

(i) **General**. Each Stock Option Agreement shall specify the Exercise Price, which shall be payable in a form described in Section 8. Subject to the remaining provisions of this Subsection (c), the Exercise Price shall be determined by the Board of Directors in its sole discretion.

(ii) **ISOs**. The Exercise Price of an ISO shall not be less than 100% of the Fair Market Value of a Share on the Date of Grant, and a higher percentage may be required by Section 3(b). This Subsection (c)(ii) shall not apply to an ISO granted pursuant to an assumption of, or substitution for, another incentive stock option in a manner that complies with Code Section 424(a).

(iii) **NSOs**. Except as specifically set forth in this Subsection (c)(iii), the Exercise Price of an NSO shall not be less than 100% of the Fair Market Value of a Share on the Date of Grant. This Subsection (c)(iii) shall not apply to an NSO granted to a person who is not a U.S. taxpayer on the Date of Grant or to an NSO that is intended either to be exempt from Code Section 409A as a "short-term deferral" or to comply with the requirements of Code Section 409A. In addition, this Subsection (c)(iii) shall not apply to an NSO granted pursuant to an assumption of, or substitution for, another stock option in a manner that complies with Code Section 409A.

(d) **Vesting and Exercisability**. Each Stock Option Agreement shall specify the date when all or any installment of the Option is to become vested and exercisable. No Option shall be exercisable unless the Optionee (i) has delivered an executed copy of the Stock Option Agreement to the Company or (ii) otherwise agrees to be bound by the terms of the Stock Option Agreement. The Board of Directors shall determine the vesting and exercisability provisions of the Stock Option Agreement at its sole discretion.

(e) **Basic Term**. The Stock Option Agreement shall specify the term of the Option. The term shall not exceed 10 years from the Date of Grant, and in the case of an ISO, a shorter term may be required by Section 3(b). Subject to the preceding sentence, the Board of Directors at its sole discretion shall determine when an Option is to expire.

(f) **Termination of Service (Except by Death)**. If an Optionee's Service terminates for any reason other than the Optionee's death, then the Optionee's Options shall expire on the earliest of the following dates:

(i) The expiration date determined pursuant to Subsection (e) above;

(ii) The date three months after the termination of the Optionee's Service for any reason other than Disability, or such earlier or later date as the Board of Directors may determine (but in no event earlier than 30 days after the termination of the Optionee's Service); or

(iii) The date six months after the termination of the Optionee's Service by reason of Disability, or such later date as the Board of Directors may determine.

The Optionee may exercise all or part of the Optionee's Options at any time before the expiration of such Options under the preceding sentence, but only to the extent that such Options had become exercisable before the Optionee's Service terminated (or became exercisable as a result of the termination) and the underlying Shares had vested before the Optionee's Service terminated (or vested as a result of the termination). In the event that the Optionee dies after the termination of the Optionee's Service but before the expiration of the Optionee's Options, all or part of such Options may be exercised (prior to expiration) by the executors or administrators of the Optionee's estate or by any person who has acquired such Options directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that such Options had become exercisable before the Optionee's Service terminated (or became exercisable as a result of the termination) and the underlying Shares had vested before the Optionee's Service terminated (or vested as a result of the termination). In no event will an Option, or the Shares underlying an Option, become vested and/or exercisable after termination of the Optionee's Service unless the Board of Directors takes affirmative action or unless expressly provided in a written agreement between the Company and the Optionee.

(g) **Leaves of Absence**. For purposes of Subsection (f) above, Service shall be deemed to continue while the Optionee is on a bona fide leave of absence approved by the Company in writing.

(h) **Death of Optionee**. If an Optionee dies while the Optionee is in Service, then the Optionee's Options shall expire on the earlier of the following dates:

(i) The expiration date determined pursuant to Subsection (e) above; or

(ii) The date 12 months after the Optionee's death, or such earlier or later date as the Board of Directors may determine (but in no event earlier than six months after the Optionee's death).

All or part of the Optionee's Options may be exercised at any time before the expiration of such Options under the preceding sentence by the executors or administrators of the Optionee's estate or by any person who has acquired such Options directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that such Options had become exercisable before the Optionee's death (or became exercisable as a result of the death) and the underlying Shares had vested before the Optionee's death (or vested as a result of the Optionee's death). In no event will an Option, or the Shares underlying an Option, become vested and/or exercisable after the Optionee's death unless the Board of Directors takes affirmative action or unless expressly provided in a written agreement between the Company and the Optionee.

(i) **Restrictions on Transfer of Options**. An Option shall be transferable by the Optionee only by (i) a beneficiary designation, (ii) a will or (iii) the laws of descent and distribution, except as provided in the next sentence. If the Board of Directors so provides, in a Stock Option Agreement or otherwise, an NSO may be transferable to the extent permitted by Rule 701 under the Securities Act. An ISO may be exercised during the lifetime of the Optionee only by the Optionee or by the Optionee's guardian or legal representative.

(j) **No Rights as a Stockholder**. An Optionee, or a transferee of an Optionee, shall have no rights as a stockholder with respect to any Shares covered by the Optionee's Option until such person submits a notice of exercise, pays the Exercise Price and satisfies all applicable withholding taxes pursuant to the terms of such Option.

(k) **Modification, Extension and Assumption of Options**. Within the limitations of the Plan, the Board of Directors may modify, reprice, extend or assume outstanding Options or may accept the cancellation of outstanding options (whether granted by the Company or another issuer) in return for the grant of new Options or a different type of award for the same or a different number of Shares and at the same or a different Exercise Price (if applicable). The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, impair the Optionee's rights or increase the Optionee's obligations under such Option; provided, however, that a modification of an Option that is otherwise favorable to the Optionee (for example, providing the Optionee with additional time to exercise the Option after termination of employment or providing for additional forms of payment) but causes the Option to lose its tax-favored status (for example, as an ISO) shall not require the consent of the Optionee.

(l) **Company's Right to Cancel Certain Options**. Any other provision of the Plan or a Stock Option Agreement notwithstanding, the Company shall have the right at any time to cancel an Option that was not granted in compliance with Rule 701 under the Securities Act. Prior to canceling such Option, the Company shall give the Optionee not less than 30 days' notice in writing. If the Company elects to cancel such Option, it shall deliver to the Optionee consideration with an aggregate value equal to the excess of (i) the Fair Market Value of the Shares subject to such Option as of the time of the cancellation over (ii) the Exercise Price of such Option. The consideration may be delivered in the form of cash or cash equivalents, in the form of Shares, or a combination of both. If the consideration would be a negative amount, such Option may be cancelled without the delivery of any consideration.

SECTION 7. TERMS AND CONDITIONS OF RESTRICTED STOCK UNITS

(a) **Restricted Stock Unit Agreement**. Each grant of Restricted Stock Units under the Plan shall be evidenced by a Restricted Stock Unit Agreement between the recipient and the Company. Such Restricted Stock Units shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions that are not inconsistent with the Plan and which the Board of Directors deems appropriate for inclusion in a Restricted Stock Unit Agreement. The provisions of the various Restricted Stock Unit Agreements entered into under the Plan need not be identical.

(b) **Payment for Restricted Stock Units**. No cash consideration shall be required of the recipient in connection with the grant of Restricted Stock Units.

(c) **Vesting Conditions**. Each Restricted Stock Unit Agreement shall specify the vesting requirements applicable to the Restricted Stock Units subject thereto, which the Board of Directors shall determine in its sole discretion.

(d) **Forfeiture**. Unless a Restricted Stock Unit Agreement provides otherwise, upon termination of the recipient's Service and upon such other times specified in the Restricted Stock Unit Agreement, any unvested Restricted Stock Units shall be forfeited to the Company.

(e) **Voting and Dividend Rights**. The holders of Restricted Stock Units shall have no voting rights. Prior to settlement or forfeiture, any Restricted Stock Unit granted under the Plan may, at the discretion of the Board of Directors, carry with it a right to dividend equivalents. Such right entitles the holder to be credited with an amount equal to all cash dividends paid on one Share while the Restricted Stock Unit is outstanding. Dividend equivalents may be converted into additional Restricted Stock Units. Settlement of dividend equivalents may be made in the form of cash, in the form of Shares, or in a combination of both. Prior to distribution, any dividend equivalents that are not paid shall be subject to the same conditions and restrictions as the Restricted Stock Units to which they attach.

(f) **Form and Time of Settlement of Restricted Stock Units**. Settlement of vested Restricted Stock Units may be made in the form of (i) cash, (ii) Shares or (iii) any combination of both, as determined by the Board of Directors. The actual number of Restricted Stock Units eligible for settlement may be larger or smaller than the number included in the original award, based on predetermined performance factors. Vested Restricted Stock Units shall be settled in such manner and at such time(s) as specified in the Restricted Stock Unit Agreement. Until Restricted Stock Units are settled, the number of Shares represented by such Restricted Stock Units shall be subject to adjustment pursuant to Section 9.

(g) **Death of Recipient**. Any Restricted Stock Units that become distributable after the Participant's death shall be distributed to the Participant's estate or to any person who has acquired such Restricted Stock Units directly from the recipient by beneficiary designation, bequest or inheritance.

(h) **Creditors' Rights**. A holder of Restricted Stock Units shall have no rights other than those of a general creditor of the Company. Restricted Stock Units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Restricted Stock Unit Agreement.

(i) **Modification, Extension and Assumption of Restricted Stock Units**. Within the limitations of the Plan, the Board of Directors may modify, extend or assume outstanding restricted stock units (whether granted by the Company or a different issuer). The foregoing notwithstanding, no modification of a Restricted Stock Unit shall, without the consent of the Participant, impair the Participant's rights or increase the Participant's obligations under such Restricted Stock Unit.

(j) **Restrictions on Transfer of Restricted Stock Units**. A Restricted Stock Unit shall be transferable by the Participant only by (i) a beneficiary designation, (ii) a will or (iii) the laws of descent and distribution, except as provided in the next sentence. In addition, if the Board of Directors so provides, in a Restricted Stock Unit Agreement or otherwise, a Restricted Stock Unit shall also be transferable to the extent permitted by Rule 701 under the Securities Act.

SECTION 8. PAYMENT FOR SHARES.

(a) **General Rule**. The entire Purchase Price or Exercise Price of Shares issued under the Plan shall be payable in cash or cash equivalents at the time when such Shares are purchased, except as otherwise provided in this Section 8. In addition, the Board of Directors in its sole discretion may also permit payment through any of the methods described in (b) through (g) below.

(b) **Services Rendered**. Shares may be awarded under the Plan in consideration of services rendered to the Company, a Parent or a Subsidiary prior to the award.

(c) **Promissory Note**. All or a portion of the Purchase Price or Exercise Price (as the case may be) of Shares issued under the Plan may be paid with a promissory note. The Shares shall be pledged as security for payment of the principal amount of the promissory note and interest thereon. The interest rate payable under the terms of the promissory note shall not be less than the minimum rate (if any) required to avoid the imputation of additional interest under the Code. Subject to the foregoing, the Board of Directors in its sole discretion shall specify the term, interest rate, recourse, amortization requirements (if any) and other provisions of such note.

(d) **Surrender of Stock**. All or any part of the Exercise Price may be paid by surrendering, or attesting to the ownership of, Shares that are already owned by the Optionee. Such Shares shall be surrendered to the Company in good form for transfer and shall be valued at their Fair Market Value as of the date when the Option is exercised.

(e) **Cashless Exercise**. All or part of the Exercise Price and any withholding taxes may be paid pursuant to a cashless exercise arrangement (whether through a securities broker or otherwise) established by the Company whereby Shares subject to an Option are sold and all or part of the sale proceeds are delivered to the Company.

(f) **Net Exercise**. An Option may permit exercise through a "net exercise" arrangement pursuant to which the Company will reduce the number of Shares issued upon exercise by the largest whole number of Shares having an aggregate Fair Market Value (determined by the Board of Directors as of the exercise date) that does not exceed the aggregate Exercise Price or the sum of the aggregate Exercise Price and any withholding taxes (with the Company accepting from the Optionee payment of cash or cash equivalents to satisfy any remaining balance of the aggregate Exercise Price and, if applicable, any additional withholding taxes not satisfied through such reduction in Shares); *provided* that to the extent Shares subject to an Option are withheld in this manner, the number of Shares subject to the Option following the net exercise will be reduced by the sum of the number of Shares withheld and the number of Shares delivered to the Optionee as a result of the exercise.

(g) **Other Forms of Payment**. To the extent that an Award Agreement so provides, the Purchase Price or Exercise Price of Shares issued under the Plan may be paid in any other form permitted by the Delaware General Corporation Law, as amended.

SECTION 9. ADJUSTMENT OF SHARES.

(a) **General**. In the event of a subdivision of the outstanding Stock, a declaration of a dividend payable in Shares, a combination or consolidation of the outstanding Stock into a lesser number of Shares, a reclassification, or any other increase or decrease in the number of issued shares of Stock effected without receipt of consideration by the Company, proportionate adjustments shall automatically be made, as applicable, in each of (i) the number and kind of Shares available under Section 4, (ii) the number and kind of Shares covered by each outstanding Option, Award of Restricted Stock Units and any outstanding and unexercised right to purchase Shares that has not yet expired pursuant to Section 5(b), (iii) the Exercise Price under each outstanding Option and the Purchase Price applicable to any unexercised stock purchase right described in clause (ii) above, and (iv) any repurchase price that applies to Shares granted under the Plan pursuant to the terms of a Company repurchase right under the applicable Award Agreement. In the event of a declaration of an extraordinary dividend payable in a form other than Shares in an amount that has a material effect on the Fair Market Value of the Stock, a recapitalization, a spin-off, or a similar occurrence, the Board of Directors at its sole discretion may make appropriate adjustments in one or more of the items listed in clauses (i) through (iv) above; provided, however, that the Board of Directors shall in any event make such adjustments as may be required by Section 25102(o) of the California Corporations Code to the extent the Company is relying on the exemption afforded thereunder with respect to an Award. No fractional Shares shall be issued under the Plan as a result of an adjustment under this Section 9(a), although the Board of Directors in its sole discretion may make a cash payment in lieu of fractional Shares.

(b) **Corporate Transactions**. In the event that the Company is a party to a merger or consolidation, or in the event of a sale of all or substantially all of the Company's stock or assets, all Shares acquired under the Plan and all Awards outstanding on the effective date of the transaction shall be treated in the manner described in the definitive transaction agreement (or, in the event the transaction does not entail a definitive agreement to which the Company is party, in the manner determined by the Board of Directors in its capacity as administrator of the Plan, with such determination having final and binding effect on all parties), which agreement or determination need not treat all Awards (or all portions of an Award) in an identical manner. The treatment specified in the transaction agreement or as determined by the Board of Directors may include (without limitation) one or more of the following with respect to each outstanding Award:

(i) The Company, the surviving corporation or a parent thereof may continue or assume the Award or substitute a comparable award for the Award (including, but not limited to, an award to acquire the same consideration paid to the holders of Shares in the transaction). For avoidance of doubt, a comparable award need not be the same type of award as the Award for which it is substituted, and, in the case of an Option, need not have the same tax-status (e.g., an NSO may be substituted for an ISO).

(ii) The cancellation of the Award and a payment to the Participant with respect to each Share subject to the portion of the Award that is vested as of the transaction date equal to the excess of (A) the value, as determined by the Board of Directors in its absolute discretion, of the property (including cash) received by the holder of a share of Stock as a result of the transaction, over (if applicable) (B) the per-Share Exercise Price of the Award (such excess, the "**Spread**"). Such payment shall be made in the form of cash, cash equivalents, or securities of the surviving corporation or its parent having a value equal to the Spread. In addition, any escrow, indemnification, holdback, earn-out or similar provisions in the transaction agreement may apply to such payment to the same extent and in the same manner as such provisions apply to the holders of Stock. Receipt of the payment described in this Subsection (b)(ii) may be conditioned upon the Participant acknowledging such escrow, indemnification, holdback, earn-out or other provisions on a form prescribed by the Company. If the Spread applicable to an Award is zero or a negative number, then the Award may be cancelled without making a payment to the Participant.

(iii) Even if the Spread applicable to an Option is a positive number, the Option may be cancelled without the payment of any consideration; provided that the Optionee shall be notified of such treatment and given an opportunity to exercise the Option (to the extent the Option is vested or becomes vested as of the effective date of the transaction) during a period of not less than five (5) business days preceding the effective date of the transaction, unless (A) a shorter period is required to permit a timely closing of the transaction and (B) such shorter period still offers the Optionee a reasonable opportunity to exercise the Option.

(iv) In the case of an Option: (A) suspension of the Optionee's right to exercise the Option during a limited period of time preceding the closing of the transaction if such suspension is administratively necessary to facilitate the closing of the transaction and/or (B) termination of any right the Optionee has to exercise the Option prior to vesting in the Shares subject to the Option (i.e., "early exercise"), such that following the closing of the transaction the Option may only be exercised to the extent it is vested.

For the avoidance of doubt, the Board of Directors has discretion to accelerate, in whole or part, the vesting and exercisability of an Award in connection with a corporate transaction covered by this Section 9(b).

(c) **Dissolution or Liquidation**. To the extent not previously exercised or settled, Options, Restricted Stock Units and other rights to purchase Shares shall terminate immediately prior to the liquidation or dissolution of the Company.

(d) **Reservation of Rights**. Except as provided in Section 7(e) or this Section 9, a Participant shall have no rights by reason of (i) any subdivision or consolidation of shares of stock of any class, (ii) the payment of any dividend or (iii) any other increase or decrease in the number of shares of stock of any class. Any issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number or Exercise Price of Shares subject to an Award. The grant of an Award pursuant to the Plan shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, to merge or consolidate or to dissolve, liquidate, sell or transfer all or any part of its business or assets.

SECTION 10. MISCELLANEOUS PROVISIONS.

(a) **Securities Law Requirements**. Shares shall not be issued under the Plan unless, in the opinion of counsel acceptable to the Board of Directors, the issuance and delivery of such Shares complies with (or is exempt from) all applicable requirements of law, including (without limitation) the Securities Act, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded. The Company shall not be liable for a failure to issue Shares as a result of such requirements. Without limiting the foregoing, the Company may suspend the exercise of some or all outstanding Options for a period of up to 60 days in order to facilitate compliance with Securities Act Rule 701(e).

(b) **No Retention Rights**. Nothing in the Plan or in any right or Award granted under the Plan shall confer upon the Participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Parent or Subsidiary employing or retaining the Participant) or of the Participant, which rights are hereby expressly reserved by each, to terminate his or her Service at any time and for any reason, with or without cause.

(c) **Treatment as Compensation**. Any compensation that an individual earns or is deemed to earn under this Plan shall not be considered a part of his or her compensation for purposes of calculating contributions, accruals or benefits under any other plan or program that is maintained or funded by the Company, a Parent or a Subsidiary.

(d) **Governing Law**. The Plan and all awards, sales and grants under the Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware (except its choice-of-law provisions), as such laws are applied to contracts entered into and performed in such State.

(e) **Conditions and Restrictions on Shares**. Shares issued under the Plan shall be subject to such forfeiture conditions, rights of repurchase, rights of first refusal, other transfer restrictions and such other terms and conditions as the Board of Directors may determine. Such conditions and restrictions shall be set forth in the applicable Award Agreement and shall apply in addition to any restrictions that may apply to holders of Shares generally. In addition, Shares issued under the Plan shall be subject to conditions and restrictions imposed either by applicable law or by Company policy, as adopted from time to time, designed to ensure compliance with applicable law or laws with which the Company determines in its sole discretion to comply including in order to maintain any statutory, regulatory or tax advantage, which (for avoidance of doubt) need not be set forth in the applicable Award Agreement.

(f) **Tax Matters**.

(i) As a condition to the award, grant, issuance, vesting, purchase, exercise, settlement or transfer of any Award, or Shares issued pursuant to any Award, granted under this Plan, the Participant shall make such arrangements as the Board of Directors may require or permit for the satisfaction of any federal, state, local or foreign withholding tax obligations that may arise in connection with such event.

(ii) Unless otherwise expressly set forth in an Award Agreement, it is intended that Awards shall be exempt from Code Section 409A, and any ambiguity in the terms of an Award Agreement and the Plan shall be interpreted consistently with this intent. To the extent an Award is not exempt from Code Section 409A (any such award, a "**409A Award**"), any ambiguity in the terms of such Award and the Plan shall be interpreted in a manner that to the maximum extent permissible supports the Award's compliance with the requirements of that statute. Notwithstanding anything to the contrary permitted under the Plan, in no event shall a modification of an Award not already subject to Code Section 409A, or any subsequent action taken with respect to such Award, be given effect if such modification or action would cause the Award to become subject to Code Section 409A unless the parties explicitly acknowledge and consent to the modification or action as one having that effect. A 409A Award shall be subject to such additional rules and requirements as specified by the Board of Directors from time to time in order for it to comply with the requirements of Code Section 409A. In this regard, if any amount under a 409A Award is payable upon a "separation from service" to an individual who is considered a "specified employee" (as each term is defined under Code Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the Participant's separation from service or (ii) the Participant's death, but only to the extent such delay is necessary to prevent such payment from being subject to Section 409A(a)(1). In addition, if a transaction subject to Section 9(b) constitutes a payment event with respect to any 409A Award, then the transaction with respect to such award must also constitute a "change in control event" as defined in Treasury Regulation Section 1.409A-3(i)(5) to the extent required by Code Section 409A.

(iii) Neither the Company nor any member of the Board of Directors shall have any liability to a Participant in the event an Award held by the Participant fails to achieve its intended characterization under applicable tax law.

SECTION 11. DURATION AND AMENDMENTS; STOCKHOLDER APPROVAL.

(a) **Term of the Plan**. The Plan, as set forth herein, shall become effective on the date of its adoption by the Board of Directors, subject to approval of the Company's stockholders under Subsection (d) below. The Plan shall terminate automatically 10 years after the later of (i) the date when the Board of Directors adopted the Plan or (ii) the date when the Board of Directors approved the most recent increase in the number of Shares reserved under Section 4 that was also approved by the Company's stockholders. The Plan may be terminated on any earlier date pursuant to Subsection (b) below.

(b) **Right to Amend or Terminate the Plan**. Subject to Subsection (d) below, the Board of Directors may amend, suspend or terminate the Plan at any time and for any reason.

(c) **Effect of Amendment or Termination**. No Shares shall be issued or sold and no Award granted under the Plan after the termination thereof, except upon exercise or settlement of an Award granted under the Plan prior to such termination. Except as expressly provided in Section 6(k) above, the termination of the Plan, or any amendment thereof, shall not affect any Share previously issued or any Award previously granted under the Plan.

(d) **Stockholder Approval**. To the extent required by applicable law, the Plan will be subject to approval of the Company's stockholders within 12 months of its adoption date. An amendment of the Plan will be subject to the approval of the Company's stockholders only to the extent required by applicable laws, regulations or rules.

SECTION 12. DEFINITIONS.

(a) "**Award**" means any award granted under the Plan, including as an Option, an award of Restricted Stock Units or the grant or sale of Shares pursuant to Section 5 of the Plan.

(b) "**Award Agreement**" means a Restricted Stock Unit Agreement, Stock Grant Agreement, Stock Option Agreement or Stock Purchase Agreement or such other agreement evidencing an Award under the Plan.

(c) "**Board of Directors**" means the Board of Directors of the Company, as constituted from time to time.

(d) "**Code**" means the Internal Revenue Code of 1986, as amended.

(e) "**Committee**" means a committee of the Board of Directors, as described in Section 2(a).

(f) "**Company**" means City Therapeutics, Inc., a Delaware corporation.

(g) "**Consultant**" means a person, excluding Employees and Outside Directors, who performs bona fide services for the Company, a Parent[3] or a Subsidiary as a consultant or advisor and who qualifies as a consultant or advisor under Rule 701(c)(1) of the Securities Act or under Instruction A.1.(a)(1) of Form S-8 under the Securities Act.

(h) "**Date of Grant**" means the date of grant specified in the Award Agreement, which date shall be the later of (i) the date on which the Board of Directors resolved to grant the Award or (ii) the first day of the Participant's Service.

(i) "**Disability**" means that the Optionee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment.

(j) "**Employee**" means any individual who is a common-law employee of the Company, a Parent[4] or a Subsidiary.

(k) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

(l) "**Exercise Price**" means the amount for which one Share may be purchased upon exercise of an Option, as specified by the Board of Directors in the applicable Stock Option Agreement.

(m) "**Fair Market Value**" means the fair market value of a Share, as determined by the Board of Directors in good faith. Such determination shall be conclusive and binding on all persons.

(n) "**Grantee**" means a person to whom the Board of Directors has awarded Shares under the Plan.

(o) "**ISO**" means an Option that qualifies as an incentive stock option as described in Code Section 422(b). Notwithstanding its designation as an ISO, an Option that does not qualify as an ISO under applicable law shall be treated for all purposes as an NSO.

[3] Note that special considerations apply if the Company proposes to grant awards to consultant or advisor of a Parent company.
[4] Note that special considerations apply if the Company proposes to grant awards to an Employee of a Parent company.

(p) "**NSO**" means an Option that does not qualify as an incentive stock option as described in Code Section 422(b) or 423(b).

(q) "**Option**" means an ISO or NSO granted under the Plan and entitling the holder to purchase Shares.

(r) "**Optionee**" means a person who holds an Option.

(s) "**Outside Director**" means a member of the Board of Directors who is not an Employee.

(t) "**Parent**" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

(u) "**Participant**" means the holder of an outstanding Award.

(v) "**Plan**" means this City Therapeutics, Inc. 2023 Stock Plan.

(w) "**Purchase Price**" means the consideration for which one Share may be acquired under the Plan (other than upon exercise of an Option), as specified by the Board of Directors.

(x) "**Purchaser**" means a person to whom the Board of Directors has offered the right to purchase Shares under the Plan (other than upon exercise of an Option).

(y) "**Restricted Stock Unit**" means a bookkeeping entry representing the equivalent of one Share, as awarded under the Plan.

(z) "**Restricted Stock Unit Agreement**" means the agreement between the Company and the recipient of a Restricted Stock Unit that contains the terms, conditions and restrictions pertaining to such Restricted Stock Unit.

(aa) "**Securities Act**" means the Securities Act of 1933, as amended.

(bb) "**Service**" means service as an Employee, Outside Director or Consultant. In case of any dispute as to whether and when Service has terminated, the Board of Directors shall have sole discretion to determine whether such termination has occurred and the effective date of such termination.

(cc) "**Share**" means one share of Stock, as adjusted in accordance with Section 9 (if applicable).

(dd) "**Stock**" means the Common Stock of the Company.

(ee) "**Stock Grant Agreement**" means the agreement between the Company and a Grantee who is awarded Shares under the Plan that contains the terms, conditions and restrictions pertaining to the award of such Shares.

(ff) "**Stock Option Agreement**" means the agreement between the Company and an Optionee that contains the terms, conditions and restrictions pertaining to the Optionee's Option.

(gg) "**Stock Purchase Agreement**" means the agreement between the Company and a Purchaser who purchases Shares under the Plan that contains the terms, conditions and restrictions pertaining to the purchase of such Shares.

(hh) "**Subsidiary**" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

Exhibit A

Schedule of Shares Reserved for Issuance under the Plan

Date of Board Approval	Date of Stockholder Approval	Number of Shares Added	Cumulative Number of Shares
July 17, 2023	August 14, 2023	Not Applicable	1,035,000
April 16, 2024	April 16, 2024	2,166,166	3,201,166
December 11, 2024	December 11, 2024	1,370,000	4,571,166
February 25, 2025	May 12, 2025	1,500,000	6,071,166
January 23, 2026	February 2, 2026	1,200,000	7,271,166
May 20, 2026	May 20, 2026	500,000	7,771,166
June 3, 2026	June 4, 2026	1,350,000	9,121,166

Summary of Modifications and Amendments to the Plan

The following is a summary of material modifications made to the Plan:

CITY THERAPEUTICS, INC. 2023 STOCK PLAN

NOTICE OF STOCK OPTION GRANT (EARLY EXERCISE)

The Optionee has been granted the following option to purchase shares of the Common Stock of City Therapeutics, Inc. (the "**Company**"):

Name of Optionee:	«Name»
Total Number of Shares:	«TotalShares»
Type of Option:	«ISO» Incentive Stock Option (ISO) «NSO» Nonstatutory Stock Option (NSO)
Exercise Price per Share:	$«PricePerShare»
Date of Grant:	«DateGrant»
Date Exercisable:	This option may be exercised at any time after the Date of Grant for all or any part of the Shares subject to this option.
Vesting Commencement Date:	«VestComDate»
Vesting Schedule:	This option shall vest, and the Right of Repurchase shall lapse, with respect to the first «Percent»% of the Shares subject to this option when the Optionee completes «CliffPeriod» months of continuous Service beginning with the Vesting Commencement Date set forth above. This option shall vest, and the Right of Repurchase shall lapse, with respect to an additional «Fraction»% of the Shares subject to this option when the Optionee completes each month of continuous Service thereafter.
Expiration Date:	«ExpDate». This option expires earlier if the Optionee's Service terminates earlier, as provided in Section 6 of the Stock Option Agreement, or if the Company engages in certain corporate transactions, as provided in Section 9 of the Plan.

By signing below or otherwise accepting this option in a manner acceptable to the Company, the Optionee and the Company agree that this option is granted under, and governed by the terms and conditions of, this Notice of Stock Option Grant, the 2023 Stock Plan and the Stock Option Agreement. Both of the latter documents are attached to, and made a part of, this Notice of Stock Option Grant. Capitalized terms not otherwise defined herein or in the Stock Option Agreement shall have the meanings set forth in the Plan. **Section 15 of the Stock Option Agreement includes important acknowledgements of the Optionee**.

OPTIONEE:

_____

CITY THERAPEUTICS, INC.

By: _____

Title: _____

THE OPTION GRANTED PURSUANT TO THE NOTICE OF STOCK OPTION GRANT AND THIS AGREEMENT AND THE SHARES ISSUABLE UPON THE EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAYNOT BE SOLD, PLEDGED, OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED.

CITY THERAPEUTICS, INC. 2023 STOCK PLAN:
STOCK OPTION AGREEMENT (EARLY EXERCISE)

SECTION 1. GRANT OF OPTION.

(a) **Option**. On the terms and conditions set forth in the Notice of Stock Option Grant, this Agreement and the Plan, the Company has granted to the Optionee on the Date of Grant the option to purchase at the Exercise Price the number of Shares set forth in the Notice of Stock Option Grant. The Exercise Price is agreed to be at least 100% of the Fair Market Value per Share on the Date of Grant (110% of Fair Market Value if this option is designated as an ISO in the Notice of Stock Option Grant and Section 3(b) of the Plan applies). This option is intended to be an ISO or an NSO, as provided in the Notice of Stock Option Grant.

(b) **$100,000 Limitation**. Even if this option is designated as an ISO in the Notice of Stock Option Grant, it shall be deemed to be an NSO to the extent (and only to the extent) required by the $100,000 annual limitation under Section 422(d) of the Code.

(c) **Stock Plan and Defined Terms**. This option is granted pursuant to the Plan, a copy of which the Optionee acknowledges having received. The provisions of the Plan are incorporated into this Agreement by this reference. Except as otherwise defined in this Agreement (including without limitation Section 16 hereof), capitalized terms shall have the meaning ascribed to such terms in the Plan.

SECTION 2. RIGHT TO EXERCISE.

(a) **Exercisability**. Subject to Subsection (b) below and the other conditions set forth in this Agreement, all or part of this option may be exercised prior to its expiration at the time or times set forth in the Notice of Stock Option Grant. Shares purchased by exercising this option may be subject to the Right of Repurchase under Section 7.

(b) **Stockholder Approval**. Any other provision of this Agreement notwithstanding, no portion of this option shall be exercisable at any time prior to the approval of the Plan by the Company's stockholders.

SECTION 3. NO TRANSFER OR ASSIGNMENT OF OPTION.

Except as otherwise provided in or pursuant to this Agreement or the Plan, this option and the rights and privileges conferred hereby shall not be sold, pledged or otherwise transferred (whether by operation of law or otherwise) and shall not be subject to sale under execution, attachment, levy or similar process.

SECTION 4. EXERCISE PROCEDURES.

(a) **Notice of Exercise**. The Optionee or the Optionee's representative may exercise this option by: (i) signing and delivering written notice (on a form prescribed by the Company) to the Company pursuant to Section 14(c) specifying the election to exercise this option, the number of Shares for which it is being exercised and the form of payment, (ii) if requested by the Company, executing and delivering such stockholders agreements as apply to the holders of the Company's preferred stock (including, without limitation, any right of first refusal and co-sale agreement and/or voting agreement of the Company) and (iii) delivering payment, in a form permissible under Section 5, for the full amount of the Purchase Price (together with any applicable withholding taxes under Subsection (b)). In the event that this option is being exercised by the representative of the Optionee, the notice shall be accompanied by proof (satisfactory to the Company) of the representative's right to exercise this option. In the event of a partial exercise of this option, Shares shall be deemed to have been purchased in the order in which they vest in accordance with the Notice of Stock Option Grant.

(b) **Withholding Taxes**. In the event that the Company determines that it is required to withhold any tax (including without limitation any income tax, social insurance contributions, payroll tax, payment on account or other tax-related items arising in connection with the Optionee's participation in the Plan and legally applicable to the Optionee (the "**Tax-Related Items**")) as a result of the grant, vesting or exercise of this option, or as a result of the vesting or transfer of shares acquired upon exercise of this option, the Optionee, as a condition of this option, shall make arrangements satisfactory to the Company to enable it to satisfy all Tax-Related Items. The Optionee acknowledges that the responsibility for all Tax-Related Items is the Optionee's and may exceed the amount actually withheld by the Company (or its affiliate or agent).

(c) **Issuance of Shares**. After satisfying all requirements for exercise of this option, the Company shall cause to be issued one or more certificates evidencing, or electronic notation representing, the Shares for which this option has been exercised. Such Shares shall be registered (i) in the name of the person exercising this option, (ii) in the names of such person and such person's spouse as community property or as joint tenants with the right of survivorship or (iii) with the Company's consent, in the name of a revocable trust. Until the issuance of the Shares has been entered into the books and records of the Company or a duly authorized transfer agent of the Company, no right to vote, receive dividends or any other right as a stockholder will exist with respect to such Shares. In the case of Restricted Shares, the Company shall cause any certificates evidencing such Shares to be deposited in escrow under Section 7(c). In the case of other Shares, the Company shall cause any certificates evidencing such Shares to be delivered to or upon the order of the person exercising this option.

SECTION 5. PAYMENT FOR STOCK.

(a) **Cash**. All or part of the Purchase Price may be paid in cash or cash equivalents or pursuant to a form of electronic funds transfer acceptable to the Company.

(b) **Surrender of Stock**. At the discretion of the Board of Directors, all or any part of the Purchase Price may be paid by surrendering, or attesting to the ownership of, Shares that are already owned by the Optionee. Such Shares shall be surrendered to the Company in good form for transfer and shall be valued at their Fair Market Value as of the date when this option is exercised.

(c) **Cashless Exercise**. All or part of the Purchase Price and any withholding taxes may be paid by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company. However, payment pursuant to the preceding sentence shall be permitted only if (i) Stock then is publicly traded and (ii) such payment does not violate applicable law. If the Stock is not publicly traded at the time this option is exercised, all or part of the Purchase Price and any withholding taxes may be paid pursuant to any other cashless exercise arrangement established by the Company.

SECTION 6. TERM AND EXPIRATION.

(a) **Basic Term**. This option shall in any event expire on the expiration date set forth in the Notice of Stock Option Grant, which date is 10 years after the Date of Grant (five years after the Date of Grant if this option is designated as an ISO in the Notice of Stock Option Grant and Section 3(b) of the Plan applies).

(b) **Termination of Service (General)**. If the Optionee's Service terminates for any reason or if the Optionee dies while in Service, this option, to the extent not vested, shall expire as provided in Subsection (e) below. To the extent this option is vested as of the date the Optionee's Service terminates or the date the Optionee dies while in Service, or becomes vested as a result of such termination or death, this option shall expire as provided in Subsections (c) and (d) below. Once this option (or portion thereof) has terminated, the Optionee shall have no further rights with respect to the option (or portion thereof) or to the underlying Shares.

(c) **Termination of Service (Except by Death)**. If the Optionee's Service terminates for any reason other than death, then this option, to the extent it had become vested before the Optionee's Service terminated or becomes vested as a result of such termination, shall expire on the earliest of the following occasions:

(i) The expiration date determined pursuant to Subsection (a) above;

(ii) The date three months after the termination of the Optionee's Service for any reason other than Disability; or

(iii) The date six months after the termination of the Optionee's Service by reason of Disability.

The Optionee may exercise all or part of this option at any time before its expiration under the preceding sentence, but only to the extent that this option had become vested before the Optionee's Service terminated or becomes vested as a result of such termination. In the event that the Optionee dies after termination of Service but before the expiration of this option, all or part of this option may be exercised (prior to expiration) by the executors or administrators of the Optionee's estate or by any person who has acquired this option directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that this option had become vested before the Optionee's Service terminated or becomes vested as a result of such termination.

(d) **Death of the Optionee**. If the Optionee dies while in Service, then this option, to the extent it had become vested before the Optionee's death or becomes vested as a result of the Optionee's death, shall expire on the earlier of the following dates:

(i) The expiration date determined pursuant to Subsection (a) above; or

(ii) The date 12 months after the Optionee's death.

All or part of this option may be exercised at any time before its expiration under the preceding sentence by the executors or administrators of the Optionee's estate or by any person who has acquired this option directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that this option had become vested before the Optionee's death or becomes vested as a result of the Optionee's death.

(e) **Additional Vesting After Termination of Service; Expiration of Unvested Option**. The period of time beginning on the date that the Optionee's Service terminates or the date that the Optionee dies while in Service and ending on the date three months after the termination of the Optionee's Service or death while in Service, as applicable, is referred to in this Subsection (e) as the "**post-termination period**". To the extent this option is not fully vested on the date the Optionee's Service terminates or the date that the Optionee dies while in Service, the Board of Directors may, during the post-termination period, take action to cause this option to become vested (in whole or in part). In no event will this option become vested after termination of the Optionee's Service or death unless the Board of Directors takes affirmative action pursuant to the preceding sentence or unless expressly provided in a written agreement between the Company and the Optionee. In this regard, any provision of this Agreement or another agreement that provides for vesting upon an event (including, without limitation, a change in control) will be deemed to require Service through the occurrence of such event unless the agreement clearly provides otherwise. On the date three months after termination of the Optionee's Service or the date the Optionee dies while in Service, or if sooner on the expiration date set forth in the Notice of Stock Option Grant, this option shall expire to the extent it is not vested.

(f) **Extension of Post-Termination Exercise Periods**. Following the date on which the Company's Stock is first listed for trading on an established securities market, if during any part of the exercise period described in Subsections (c)(ii) or (iii) or Subsection (d)(ii) above the exercise of this option would be prohibited solely because the issuance of Shares upon such exercise would violate the registration requirements under the Securities Act or a similar provision of other applicable law, then instead of terminating at the end of such prescribed period, the then-vested portion of this option will instead remain outstanding and not expire until the earlier of (i) the expiration date determined pursuant to Section 6(a) above or (ii) the date on which the then-vested portion of this option has been exercisable without violation of applicable law for the aggregate period (which need not be consecutive) after termination of the Optionee's Service specified in the applicable Subsection above.

(g) **Part-Time Employment and Leaves of Absence**. If the Optionee commences working on a part-time basis, then the Company may adjust the vesting schedule set forth in the Notice of Stock Option Grant. If the Optionee goes on a leave of absence, then, to the extent permitted by applicable law, the Company may adjust or suspend the vesting schedule set forth in the Notice of Stock Option Grant. Except as provided in the preceding sentence, Service shall be deemed to continue for any purpose under this Agreement while the Optionee is on a *bona fide* leave of absence approved by the Company in writing. Service shall be deemed to terminate when such leave ends, unless the Optionee immediately returns to active work when such leave ends.

(h) **Notice Concerning ISO Treatment**. Even if this option is designated as an ISO in the Notice of Stock Option Grant, it ceases to qualify for favorable tax treatment as an ISO to the extent that it is exercised:

(i) More than three months after the date when the Optionee ceases to be an Employee for any reason other than death or permanent and total disability (as defined in Section 22(e)(3) of the Code);

(ii) More than 12 months after the date when the Optionee ceases to be an Employee by reason of permanent and total disability (as defined in Section 22(e)(3) of the Code); or

(iii) More than three months after the date when the Optionee has been on a leave of absence for three months, unless the Optionee's reemployment rights following such leave were guaranteed by statute or by contract.

SECTION 7. RIGHT OF REPURCHASE.

(a) **Scope of Repurchase Right**. Until they vest in accordance with the Notice of Stock Option Grant and Subsection (b) below, the Shares acquired under this Agreement shall be Restricted Shares and shall be subject to the Company's Right of Repurchase. The Company, however, may decline to exercise its Right of Repurchase or may exercise its Right of Repurchase only with respect to a portion of the Restricted Shares. The Company may exercise its Right of Repurchase only during the Repurchase Period following the termination of the Optionee's Service, but the Right of Repurchase may be exercised automatically under Subsection (d) below. If the Right of Repurchase is exercised, the Company shall pay the Optionee an amount equal to the lower of (i) the Exercise Price of each Restricted Share being repurchased or (ii) the Fair Market Value of such Restricted Share at the time the Right of Repurchase is exercised.

(b) **Lapse of Repurchase Right**. The Right of Repurchase shall lapse with respect to the Restricted Shares in accordance with the vesting schedule set forth in the Notice of Stock Option Grant.

(c) **Escrow**. Upon issuance, any certificate(s) for Restricted Shares shall be deposited in escrow with the Company to be held in accordance with the provisions of this Agreement. Any additional or exchanged securities or other property described in Subsection (f) below shall immediately be delivered to the Company to be held in escrow. All ordinary cash dividends on Restricted Shares (or on other securities held in escrow) shall be paid directly to the Optionee and shall not be held in escrow. Restricted Shares, together with any other assets held in escrow under this Agreement, shall be (i) surrendered to the Company for repurchase upon exercise of the Right of Repurchase or the Right of First Refusal or (ii) if held in escrow, released to the Optionee upon the Optionee's request to the extent that the Shares have ceased to be Restricted Shares (but not more frequently than once every six months). In any event, all Shares that have ceased to be Restricted Shares, together with any other vested assets held in escrow under this Agreement, shall be released within 90 days after the earlier of (i) the termination of the Optionee's Service or (ii) the lapse of the Right of First Refusal.

(d) **Exercise of Repurchase Right**. The Company shall be deemed to have exercised its Right of Repurchase automatically for all Restricted Shares as of the commencement of the Repurchase Period, unless the Company during the Repurchase Period notifies the holder of the Restricted Shares pursuant to Section 14(c) that it will not exercise its Right of Repurchase for some or all of the Restricted Shares. The Company shall pay to the holder of the Restricted Shares the purchase price determined under Subsection (a) above for the Restricted Shares being repurchased. Payment shall be made in cash or cash equivalents and/or by canceling indebtedness to the Company incurred by the Optionee in the purchase of the Restricted Shares. If the Restricted Shares being repurchased are represented by certificate(s), any such certificate(s) shall be delivered to the Company. If the Restricted Shares being repurchased are not represented by certificate, the repurchase shall be effected by an appropriate book entry on the stock ledger for the Shares.

(e) **Termination of Rights as Stockholder**. If the Right of Repurchase is exercised in accordance with this Section 7 and the Company makes available the consideration for the Restricted Shares being repurchased, then the person from whom the Restricted Shares are repurchased shall no longer have any rights as a holder of the Restricted Shares (other than the right to receive payment of such consideration). Such Restricted Shares shall be deemed to have been repurchased pursuant to this Section 7, whether or not any certificate(s) for such Restricted Shares have been delivered to the Company or the consideration for such Restricted Shares has been accepted.

(f) **Additional or Exchanged Securities and Property**. In the event of a merger or consolidation of the Company, a sale of all or substantially all of the Company's stock or assets, any other corporate reorganization, a stock split, the declaration of a stock dividend, the declaration of an extraordinary dividend payable in a form other than stock, a spin-off, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities, any securities or other property (including cash or cash equivalents) that are by reason of such transaction exchanged for, or distributed with respect to, any Restricted Shares shall immediately be subject to the Right of Repurchase. Appropriate adjustments to reflect the exchange or distribution of such securities or property shall be made to the number and/or class of the Restricted Shares. Appropriate adjustments shall also be made to the price per share to be paid upon the exercise of the Right of Repurchase, provided that the aggregate purchase price payable for the Restricted Shares shall remain the same. In the event of any transaction described in Section 9(b) of the Plan or any other corporate reorganization, the Right of Repurchase may be exercised by the Company's successor.

(g) **Transfer of Restricted Shares**. The Optionee shall not transfer, assign, encumber or otherwise dispose of any Restricted Shares without the Company's written consent, except as provided in the following sentence. Subject to Section 11(a) below, the Optionee may transfer Restricted Shares to one or more members of the Optionee's Immediate Family or to a trust or other entity established by the Optionee solely for the benefit of the Optionee and/or one or more members of the Optionee's Immediate Family, provided in either case that the Transferee agrees in writing on a form prescribed by the Company to be bound by all provisions of this Agreement. If the Optionee transfers any Restricted Shares, then this Agreement shall apply to the Transferee to the same extent as to the Optionee.

(h) **Assignment of Repurchase Right**. The Board of Directors may freely assign the Company's Right of Repurchase, in whole or in part. Any person who accepts an assignment of the Right of Repurchase from the Company shall be entitled to and assume all of the Company's rights and obligations under this Section 7.

SECTION 8. RIGHT OF FIRST REFUSAL.

(a) **Right of First Refusal**. In the event that the Optionee proposes to sell, pledge or otherwise transfer to a third party any Shares acquired under this Agreement, or any interest in such Shares, the Company shall have the Right of First Refusal with respect to all (and not less than all) of such Shares. If the Optionee desires to transfer Shares acquired under this Agreement, the Optionee shall give a written Transfer Notice to the Company describing fully the proposed transfer, including the number of Shares proposed to be transferred, the proposed transfer price, the name and address of the proposed Transferee and proof satisfactory to the Company that the proposed sale or transfer will not violate any applicable federal, State or foreign securities laws. The Transfer Notice shall be signed both by the Optionee and by the proposed Transferee and must constitute a binding commitment of both parties to the transfer of the Shares. The Company shall have the right to purchase all, and not less than all, of the Shares on the terms of the proposal described in the Transfer Notice (subject, however, to any change in such terms permitted under Subsection (b) below) by delivery of a notice of exercise of the Right of First Refusal within 30 days after the date when the Transfer Notice was received by the Company.

(b) **Transfer of Shares**. If the Company fails to exercise its Right of First Refusal within 30 days after the date when it received the Transfer Notice, the Optionee may, not later than 90 days following receipt of the Transfer Notice by the Company, conclude a transfer of the Shares subject to the Transfer Notice on the terms and conditions no less favorable to the Optionee than those described in the Transfer Notice, provided that any such sale is made in compliance with applicable federal, State and foreign securities laws and not in violation of any other contractual restrictions to which the Optionee is bound. Any proposed transfer on terms and conditions less favorable than those described in the Transfer Notice, as well as any subsequent proposed transfer by the Optionee, shall again be subject to the Right of First Refusal and shall require compliance with the procedure described in Subsection (a) above. If the Company exercises its Right of First Refusal, the parties shall consummate the sale of the Shares on the terms set forth in the Transfer Notice within 60 days after the date when the Company received the Transfer Notice (or within such longer period as may have been specified in the Transfer Notice); provided, however, that in the event the Transfer Notice provided that payment for the Shares was to be made in a form other than cash or cash equivalents paid at the time of transfer, the Company shall have the option of paying for the Shares with cash or cash equivalents equal to the present value of the consideration described in the Transfer Notice.

(c) **Additional or Exchanged Securities and Property**. In the event of a merger or consolidation of the Company, a sale of all or substantially all of the Company's stock or assets, any other corporate reorganization, a stock split, the declaration of a stock dividend, the declaration of an extraordinary dividend payable in a form other than stock, a spin-off, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities, any securities or other property (including cash or cash equivalents) that are by reason of such transaction exchanged for, or distributed with respect to, any Shares subject to this Section 8 shall immediately be subject to the Right of First Refusal. Appropriate adjustments to reflect the exchange or distribution of such securities or property shall be made to the number and/or class of the Shares subject to this Section 8.

(d) **Termination of Right of First Refusal**. Any other provision of this Section 8 notwithstanding, in the event that the Stock is readily tradable on an established securities market when the Optionee desires to transfer Shares, the Company shall have no Right of First Refusal, and the Optionee shall have no obligation to comply with the procedures prescribed by Subsections (a) and (b) above.

(e) **Permitted Transfers**. This Section 8 shall not apply to (i) a transfer by beneficiary designation, will or intestate succession or (ii) a transfer to one or more members of the Optionee's Immediate Family or to a trust or other entity established by the Optionee solely for the benefit of the Optionee and/or one or more members of the Optionee's Immediate Family, provided in either case that the Transferee agrees in writing on a form prescribed by the Company to be bound by all provisions of this Agreement. If the Optionee transfers any Shares acquired under this Agreement, either under this Subsection (e) or after the Company has failed to exercise the Right of First Refusal, then this Agreement shall apply to the Transferee to the same extent as to the Optionee.

(f) **Termination of Rights as Stockholder**. If the Company makes available, at the time and place and in the amount and form provided in this Agreement, the consideration for the Shares to be purchased in accordance with this Section 8, then after such time the person from whom such Shares are to be purchased shall no longer have any rights as a holder of such Shares (other than the right to receive payment of such consideration in accordance with this Agreement). Such Shares shall be deemed to have been purchased in accordance with the applicable provisions hereof, whether or not any certificate(s) therefor have been delivered as required by this Agreement.

(g) **Assignment of Right of First Refusal**. The Board of Directors may freely assign the Company's Right of First Refusal, in whole or in part. Any person who accepts an assignment of the Right of First Refusal from the Company shall be entitled to and assume all of the Company's rights and obligations under this Section 8.

SECTION 9. LEGALITY OF INITIAL ISSUANCE.

No Shares shall be issued upon the exercise of this option unless and until the Company has determined that:

(a) It and the Optionee have taken any actions required to register the Shares under the Securities Act or to perfect an exemption from the registration requirements thereof;

(b) Any applicable listing requirement of any stock exchange or other securities market on which Stock is listed has been satisfied; and

(c) Any other applicable provision of federal, State or foreign law has been satisfied.

SECTION 10. NO REGISTRATION RIGHTS.

The Company may, but shall not be obligated to, register or qualify the sale of Shares under the Securities Act or any other applicable law. The Company shall not be obligated to take any affirmative action in order to cause the sale of Shares under this Agreement to comply with any law.

SECTION 11. RESTRICTIONS ON TRANSFER OF SHARES.

(a) **General Restrictions**. The Shares acquired under this Agreement shall be subject to the transfer restrictions in the Company's Bylaws, as may be amended from time to time, in addition to, and not in limitation of, the provisions of Section 8 and 11 of this Agreement. In addition, unless the Stock is readily tradeable on an established securities market, the transfer of any of the Shares acquired pursuant to this Agreement (or any interest therein) shall, at the Company's request, be conditioned upon (i) effecting such transfer pursuant to a form of stock transfer agreement prescribed by the Company and (ii) payment of a transfer fee not to exceed $5,000.

(b) **Securities Law Restrictions**. Regardless of whether the offer and sale of Shares under the Plan have been registered under the Securities Act or have been registered or qualified under the securities laws of any State or other relevant jurisdiction, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such Shares (including the placement of appropriate legends on the stock certificates (or electronic equivalent) or the imposition of stop-transfer instructions) and may refuse (or may be required to refuse) to transfer Shares acquired hereunder (or Shares proposed to be transferred in a subsequent transfer) if, in the judgment of the Company, such restrictions, legends or refusal are necessary or appropriate to achieve compliance with the Securities Act or other relevant securities or other laws, including without limitation under Regulation S of the Securities Act or pursuant to another available exemption from registration.

(c) **Market Stand-Off**. In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act, including the Company's initial public offering, the Optionee or a Transferee shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any Shares acquired under this Agreement without the prior written consent of the Company or its managing underwriter. Such restriction (the "Market Stand-Off") shall be in effect for such period of time following the date of the public filing of the registration statement relating to the initial public offering (or commencing on the date of the final prospectus relating to any subsequent offering) as may be requested by the Company or such underwriter. In no event, however, shall such period exceed 180 days. The Market Stand-Off shall in any event terminate two years after the date of the Company's initial public offering. In the event of the declaration of a stock dividend, a spin-off, a stock split, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities without receipt of consideration, any new, substituted or additional securities which are by reason of such transaction distributed with respect to any Shares subject to the Market Stand-Off, or into which such Shares thereby become convertible, shall immediately be subject to the Market Stand-Off. In order to enforce the Market Stand-Off, the Company may impose stop-transfer instructions with respect to the Shares acquired under this Agreement until the end of the applicable stand-off period. The Company's underwriters shall be beneficiaries of the agreement set forth in this Subsection (c). This Subsection (c) shall not apply to Shares registered in the public offering under the Securities Act.

(d) **Investment Intent at Grant**. The Optionee represents and agrees that the Shares to be acquired upon exercising this option will be acquired for investment, and not with a view to the sale or distribution thereof.

(e) **Investment Intent at Exercise**. In the event that the sale of Shares under the Plan is not registered under the Securities Act but an exemption is available that requires an investment representation or other representation, the Optionee shall represent and agree at the time of exercise that the Shares being acquired upon exercising this option are being acquired for investment, and not with a view to the sale or distribution thereof, and shall make such other representations as are deemed necessary or appropriate by the Company and its counsel, including (if applicable because the Company is relying on Regulation S under the Securities Act) that as of the date of exercise the Optionee is (i) not a U.S. Person; (ii) not acquiring the Shares on behalf, or for the account or benefit, of a U.S. Person; and (iii) is not exercising the option in the United States.

(f) **Legends**. Any certificates (or electronic equivalent) evidencing Shares purchased under this Agreement shall bear the following legend:

"THE SHARES REPRESENTED HEREBY (AND ANY INTEREST THEREIN) MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, ENCUMBERED OR IN ANY MANNER DISPOSED OF, EXCEPT IN COMPLIANCE WITH THE TERMS OF THE STOCK OPTION AGREEMENT PURSUANT TO WHICH SUCH SHARES WERE ACQUIRED. SUCH AGREEMENT GRANTS TO THE COMPANY CERTAIN RIGHTS OF FIRST REFUSAL UPON AN ATTEMPTED TRANSFER OF THE SHARES AND CERTAIN REPURCHASE RIGHTS UPON TERMINATION OF SERVICE WITH THE COMPANY. IN ADDITION, THE SHARES ARE SUBJECT TO RESTRICTIONS ON TRANSFER AS SET FORTH IN SUCH STOCK OPTION AGREEMENT AND SEPARATELY PURSUANT TO THE BYLAWS OF THE COMPANY. THE SECRETARY OF THE COMPANY WILL UPON WRITTEN REQUEST FURNISH A COPY OF SUCH STOCK OPTION AGREEMENT AND BYLAWS TO THE HOLDER HEREOF WITHOUT CHARGE."

Any certificates (or electronic equivalent) evidencing Shares purchased under this Agreement in an unregistered transaction shall bear the following legend (and such other restrictive legends as are required or deemed advisable under the provisions of any applicable law):

"THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR ANY SECURITIES LAWS OF ANY U.S. STATE, AND MAY NOT BE SOLD, REOFFERED, PLEDGED, ASSIGNED, ENCUMBERED OR OTHERWISE TRANSFERRED OR DISPOSED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED. IN THE ABSENCE OF REGISTRATION OR THE AVAILABILITY (CONFIRMED BY OPINION OF COUNSEL) OF AN ALTERNATIVE EXEMPTION FROM REGISTRATION UNDER THE ACT (INCLUDING WITHOUT LIMITATION IN ACCORDANCE WITH REGULATION S UNDER THE ACT), THESE SHARES MAY NOT BE SOLD, REOFFERED, PLEDGED, ASSIGNED, ENCUMBERED OR OTHERWISE TRANSFERRED OR DISPOSED OF. HEDGING TRANSACTIONS INVOLVING THESE SHARES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE ACT."

(g) **Removal of Legends**. If, in the opinion of the Company and its counsel, any legend placed on a stock certificate representing Shares sold under this Agreement is no longer required, the holder of such certificate shall be entitled to exchange such certificate for a certificate representing the same number of Shares but without such legend.

(h) **Administration**. Any determination by the Company and its counsel in connection with any of the matters set forth in this Section 11 shall be conclusive and binding on the Optionee and all other persons.

SECTION 12. DRAG ALONG RIGHT.

(a) **Required Actions**. If the Requisite Parties approve a Sale of the Company, then Optionee hereby agrees with respect to all Shares which the Optionee own(s) or over which the Optionee otherwise exercises voting or dispositive authority:

(i) if such Sale of the Company requires stockholder approval under the Certificate, the Bylaws of the Company or any law, rule or regulation applicable to the Company, to vote (in person, by proxy or by action by written consent, as applicable) such Shares in favor of such Sale of the Company (it being understood that, within five (5) days after the delivery of a proxy or consent solicitation statement (or similar document requesting the consent or approval of stockholders) in respect of any Sale of the Company, the Optionee shall duly execute and deliver a proxy or consent, as the case may be, in favor of such Sale of the Company);

(ii) if such transaction is a Stock Sale, to sell the same proportion of shares of capital stock of the Company beneficially held by the Optionee as is being sold by the Selling Holders to the person to whom the Selling Holders propose to sell their Shares;

(iii) to refrain from exercising any dissenters' rights or rights of appraisal under applicable law at any time with respect to such Sale of the Company;

(iv) if the consideration for such Shares pursuant to the Sale of the Company includes any securities, accept in lieu thereof an amount of cash equal to the fair value (as determined in good faith by the Company) of such securities to the extent reasonably necessary (as determined in good faith by the Company) to comply with applicable federal and state securities laws;

(v) if the Selling Holders appoint a stockholder representative (the "**Stockholder Representative**") for matters affecting the stockholders of the Company under the applicable definitive transaction agreements, to consent to (i) the appointment of such Stockholder Representative, (ii) the establishment of any applicable escrow, expense or similar fund in connection with any indemnification or similar obligations, and (iii) the payment of such Optionee's pro rata portion (from the applicable escrow or expense fund or otherwise) of any and all reasonable fees and expenses to such Stockholder Representative in connection with such Stockholder Representative's services and duties in connection with such Sale of the Company and its related service as the representative of the stockholders;

(vi) to agree to make representations and warranties and to agree to indemnity and other liability obligations in connection with the Sale of the Company on terms and conditions that, taken as a whole, are no less favorable to Optionee than to other holders of Common Stock of the Company; and

(vii) to execute and deliver all related documentation and take such other action in support of the Sale of the Company, as reasonably requested by the Company, including a written consent, release and/or joinder, and to not take any action inconsistent with the Sale of the Company.

(b) **Exceptions**. Notwithstanding the foregoing, an Optionee will not be required to comply with Subsection (a) above in connection with any Sale of the Company unless (i) each holder of each class or series of the Company's stock will receive the same form of consideration for their shares of such class or series as is received by other holders in respect of their shares of such same class or series of stock and (ii) each holder of Common Stock will receive the same amount of consideration per share of Common Stock as is received by other holders in respect of their shares of Common Stock, subject, in each case, to any "rollover" or similar arrangements provided in the definitive documents relating to such Sale of the Company. If the consideration to be paid in exchange for the Shares pursuant to such Sale of the Company includes any securities and due receipt thereof by the Optionee would require under applicable law (x) the registration or qualification of such securities or of any person as a broker or dealer or agent with respect to such securities; or (y) the provision to any Optionee of any information other than such information as a prudent issuer would generally furnish in an offering made solely to "accredited investors" as defined in Regulation D promulgated under the Securities Act, the Company may cause to be paid to any such Optionee in lieu thereof, against surrender of the Shares which would have otherwise been sold by such Optionee, an amount in cash equal to the fair value (as determined in good faith by the Company's Board of Directors or the Requisite Parties, as applicable) of the securities which such Optionee would otherwise receive as of the date of the issuance of such securities in exchange for the Shares.

SECTION 13. ADJUSTMENT OF SHARES.

In the event of any transaction described in Section 9(a) of the Plan, the terms of this option (including, without limitation, the number and kind of Shares subject to this option and the Exercise Price) shall be adjusted as set forth in Section 9(a) of the Plan. In the event that the Company is a party to a merger or consolidation or in the event of a sale of all or substantially all of the Company's stock or assets, this option shall be subject to the treatment provided by the Board of Directors in its sole discretion, as provided in Section 9(b) of the Plan.

SECTION 14. MISCELLANEOUS PROVISIONS.

(a) **Rights as a Stockholder**. Neither the Optionee nor the Optionee's representative shall have any rights as a stockholder with respect to any Shares subject to this option until the Optionee or the Optionee's representative becomes entitled to receive such Shares by filing a notice of exercise and paying the Purchase Price pursuant to Sections 4 and 5.

(b) **No Retention Rights**. Nothing in this option or in the Plan shall confer upon the Optionee any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Parent or Subsidiary employing or retaining the Optionee) or of the Optionee, which rights are hereby expressly reserved by each, to terminate the Optionee's Service at any time and for any reason, with or without cause.

(c) **Notice**. Any notice required by the terms of this Agreement shall be given in writing. It shall be deemed effective upon (i) personal delivery, (ii) deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid, (iii) deposit with Federal Express Corporation, with shipping charges prepaid or (iv) deposit with any internationally recognized express mail courier service, with shipping charges prepaid. Notice shall be addressed to the Company at its principal executive office and to the Optionee at the address that the Optionee most recently provided to the Company in accordance with this Subsection (c). In addition, to the extent required or permitted pursuant to rules established by the Company from time to time, notices may be delivered electronically.

(d) **Modifications and Waivers**. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Optionee and by an authorized officer of the Company (other than the Optionee); provided, however, that a modification that is otherwise favorable to the Optionee (for example, providing the Optionee with additional time to exercise this option after termination of employment or providing for additional forms of payment) but causes this option to lose its tax-favored status (for example, as an ISO) shall not require the consent of the Optionee. No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(e) **Entire Agreement**. The Notice of Stock Option Grant, this Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. They supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) that relate to the subject matter hereof.

(f) **Choice of Law**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, as such laws are applied to contracts entered into and performed in such State.

(g) **Severability**. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

(h) **Binding Effect on Transferees, Heirs, Successors and Assigns**. This Agreement shall be binding upon Optionee's permitted transferees, heirs, successors and assigns; provided that for any such transfer to be deemed effective, the transferee shall agree on a form prescribed by the Company to be bound by the terms and conditions of this Agreement, including the restrictions on transfer in Section 11 and the drag along right in Section 12. The Company shall not record any transfer of Shares on its books or issue a new certificate representing any such Shares unless and until such transferee shall have complied with the terms of this Subsection (h).

SECTION 15. ACKNOWLEDGEMENTS OF THE OPTIONEE.

In addition to the other terms, conditions and restrictions imposed on this option and the Shares issuable under this option pursuant to this Agreement and the Plan, the Optionee expressly acknowledges being subject to Sections 7 (Right of Repurchase), 8 (Right of First Refusal), 9 (Legality of Initial Issuance), 11 (Restrictions on Transfer of Shares, including without limitation the Market Stand-Off) and 12 (Drag Along Right), as well as the following provisions:

(a) **Tax Consequences**. The Optionee agrees that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes the Optionee's tax liabilities. The Optionee shall not make any claim against the Company or its Board of Directors, officers or employees related to tax liabilities arising from this option or the Optionee's other compensation. In particular, any Optionee subject to U.S. taxation acknowledges that this option is exempt from Section 409A of the Code only if the Exercise Price is at least equal to the Fair Market Value per Share on the Date of Grant. Since Shares are not traded on an established securities market, the determination of their Fair Market Value is made by the Board of Directors or by an independent valuation firm retained by the Company. The Optionee acknowledges that there is no guarantee in either case that the Internal Revenue Service will agree with the valuation, and the Optionee shall not make any claim against the Company or its Board of Directors, officers or employees in the event that the Internal Revenue Service asserts that the valuation was too low. In addition, if this option is designated as an ISO, the Optionee acknowledges that there is no guarantee that the option in fact qualifies for incentive stock option treatment or that it will continue to qualify for incentive stock option treatment at the time of exercise. In this regard, the Optionee acknowledges that the Company may take actions that will cause the option to cease to be eligible for incentive stock option treatment and that such actions do not require the Optionee's consent.

(b) **Electronic Delivery of Documents**. The Optionee acknowledges and agrees that the Company may, in its sole discretion, deliver all documents relating to the Company, the Plan or this option and all other documents that the Company is required to deliver to its security holders (including, without limitation, disclosures that may be required by the Securities and Exchange Commission) by email or other means of electronic transmission (including by posting them on a website maintained by the Company or a third party under contract with the Company). The Optionee acknowledges that the Optionee may incur costs in connection with any such delivery by means of electronic transmission, including the cost of accessing the internet and printing fees, and that an interruption of internet access may interfere with the Optionee's ability to access the documents.

(c) **No Notice of Expiration Date**. The Optionee agrees that the Company and its officers, employees, attorneys and agents do not have any obligation to notify him or her prior to the expiration of this option pursuant to Section 6, regardless of whether this option will expire at the end of its full term or on an earlier date related to the termination of the Optionee's Service. The Optionee further agrees that the Optionee has the sole responsibility for monitoring the expiration of this option and for exercising this option, if at all, before it expires. This Subsection (c) shall supersede any contrary representation that may have been made, orally or in writing, by the Company or by an officer, employee, attorney or agent of the Company.

(d) **Waiver of Statutory Information Rights**. The Optionee acknowledges and agrees that, upon exercise of this option and until the first sale of the Company's Stock to the general public pursuant to a registration statement filed under the Securities Act, the Optionee shall waive, and shall be deemed to have waived, any rights the Optionee would otherwise have under Section 220 of the Delaware General Corporation Law (or under similar rights pursuant to any other applicable law) to inspect for any purpose and to make copies and extracts from the Company's stock ledger, a list of its stockholders and its other books and records or the books and records of any subsidiary of the Company (the "**Inspection Rights**"). The Optionee acknowledges and understands that, but for the waiver made herein, the Optionee would be entitled, upon compliance with the procedures set forth in Section 220 of the Delaware General Corporation Law, to Inspection Rights pursuant thereto, and further acknowledges and agrees that the waiver set forth herein is a knowing and voluntary waiver of such rights, that the Optionee has received sufficient consideration for such waiver and that the Company would not be willing to provide the benefits to the Optionee hereunder without the benefit of such waiver from the Optionee. This waiver applies only in the Optionee's capacity as a stockholder and does not affect any other inspection rights the Optionee may have pursuant to any written agreement with the Company.

(e) **Plan Discretionary**. The Optionee understands and acknowledges that (i) the Plan is entirely discretionary, (ii) the Company and the Optionee's employer have reserved the right to amend, suspend or terminate the Plan at any time, (iii) the grant of an option does not in any way create any contractual or other right to receive additional grants of options (or benefits in lieu of options) at any time or in any amount and (iv) all determinations with respect to any additional grants, including (without limitation) the times when options will be granted, the number of Shares offered, the Exercise Price and the vesting schedule, will be at the sole discretion of the Company.

(f) **Termination of Service**. The Optionee understands and acknowledges that participation in the Plan ceases upon termination of the Optionee's Service for any reason, except as may explicitly be provided otherwise in the Plan or this Agreement.

(g) **Extraordinary Compensation**. The value of this option shall be an extraordinary item of compensation outside the scope of the Optionee's employment contract, if any, and shall not be considered a part of the Optionee's normal or expected compensation for purposes of calculating severance, resignation, redundancy or end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

(h) **Authorization to Disclose**. The Optionee hereby authorizes and directs the Optionee's employer to disclose to the Company or any Subsidiary any information regarding the Optionee's employment, the nature and amount of the Optionee's compensation and the fact and conditions of the Optionee's participation in the Plan, as the Optionee's employer deems necessary or appropriate to facilitate the administration of the Plan.

(i) **Personal Data Authorization**. The Optionee consents to the collection, use and transfer of personal data as described in this Subsection (i). The Optionee understands and acknowledges that the Company, the Optionee's employer and the Company's other Subsidiaries hold certain personal information regarding the Optionee for the purpose of managing and administering the Plan, including (without limitation) the Optionee's name, home address, telephone number, date of birth, social insurance number, salary, nationality, job title, any Shares or directorships held in the Company and details of all options or any other entitlements to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Optionee's favor (the "**Data**"). The Optionee further understands and acknowledges that the Company and/or its Subsidiaries will transfer Data among themselves as necessary for the purpose of implementation, administration and management of the Optionee's participation in the Plan and that the Company and/or any Subsidiary may each further transfer Data to any third party assisting the Company in the implementation, administration and management of the Plan. The Optionee understands and acknowledges that the recipients of Data may be located in the United States or elsewhere. The Optionee authorizes such recipients to receive, possess, use, retain and transfer Data, in electronic or other form, for the purpose of administering the Optionee's participation in the Plan, including a transfer to any broker or other third party with whom the Optionee elects to deposit Shares acquired under the Plan of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on the Optionee's behalf. The Optionee may, at any time, view the Data, require any necessary modifications of Data or withdraw the consents set forth in this Subsection (i) by contacting the Company in writing.

SECTION 16. DEFINITIONS.

(a) "**Agreement**" shall mean this Stock Option Agreement.

(b) "**Board of Directors**" shall mean the Board of Directors of the Company, as constituted from time to time or, if a Committee has been appointed, such Committee.

(c) "**Certificate**" shall mean the Company's amended and restated certificate of incorporation as in effect from time to time.

(d) "**Company**" shall mean City Therapeutics, Inc., a Delaware corporation.

(e) "**Immediate Family**" shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law and shall include adoptive relationships.

(f) "**Optionee**" shall mean the person named in the Notice of Stock Option Grant.

(g) "**Plan**" shall mean the City Therapeutics, Inc. 2023 Stock Plan, as in effect on the Date of Grant.

(h) "**Purchase Price**" shall mean the Exercise Price multiplied by the number of Shares with respect to which this option is being exercised.

(i) "**Repurchase Period**" shall mean a period of 90 consecutive days commencing on the date when the Optionee's Service terminates for any reason, including (without limitation) death or disability.

(j) "**Requisite Parties**" shall mean both the Board of Directors and the Selling Holders.

(k) "**Restricted Share**" shall mean a Share that is subject to the Right of Repurchase.

(l) "**Right of First Refusal**" shall mean the Company's right of first refusal described in Section 8.

(m) "**Right of Repurchase**" shall mean the Company's right of repurchase described in Section 7.

(n) "**Sale of the Company**" shall mean: (i) a transaction or series of related transactions in which a person, or a group of related persons, acquires from stockholders of the Company shares representing more than fifty percent (50%) of the outstanding voting power of the Company (a "**Stock Sale**"), (ii) a sale of all or substantially all of the assets of the Company or (iii) any other transaction that qualifies as a "Liquidation Event" as defined in the Certificate.

(o) "**Selling Holders**" shall mean the holders of a majority of the then-outstanding shares of Common Stock (voting together as a single class and on an as-converted basis).

(p) "**Service**" shall mean service as an Employee, Outside Director or Consultant. In case of any dispute as to whether and when Service has terminated, the Board of Directors shall have sole discretion to determine whether such termination has occurred and the effective date of such termination.

(q) "**Transferee**" shall mean any person to whom the Optionee has directly or indirectly transferred any Share acquired under this Agreement.

(r) "**Transfer Notice**" shall mean the notice of a proposed transfer of Shares described in Section 8.

(s) "**U.S. Person**" shall mean a person described in Rule 902(k) of Regulation S of the Securities Act (or any successor rule or provision), which generally defines a U.S. person as any natural person resident in the United States, any estate of which any executor or administrator is a U.S. Person, or any trust of which of any trustee is a U.S. Person.

City Therapeutics, Inc. 2023 Stock Plan
Notice of Stock Option Exercise (Early Exercise)

You must sign this Notice on Page 3 before submitting it to the Company.

Optionee Information:

Name: _____ Social Security Number: _____

Address: _____ Employee Number: _____

_____ Email Address: _____

Option Information:

Date of Grant: _____ ___, 20__
Exercise Price per Share: $_____
Total number of shares of Common Stock of City Therapeutics, Inc. (the "Company") covered by the option: _____

Type of Stock Option:
☐ Nonstatutory (NSO)
☐ Incentive (ISO)

Exercise Information:

Number of shares of Common Stock of the Company for which the option is being exercised now: _____. (These shares are referred to below as the "Purchased Shares.")
Total Exercise Price for the Purchased Shares: $_____

Form of payment enclosed ***[check all that apply]***:
☐ Check for $_____, payable to "City Therapeutics, Inc."
☐ Certificate(s) for _____ shares of Common Stock of the Company. These shares will be valued as of the date this notice is received by the Company. ***[Requires Company consent.]***
☐ Attestation Form covering _____ shares of Common Stock of the Company. These shares will be valued as of the date this notice is received by the Company. ***[Requires Company consent.]***

Name(s) in which the Purchased Shares should be registered ***[please review the attached explanation of the available forms of ownership, and then check one box]****:
☐ In my name only
☐ In the names of my spouse and myself as community property
☐ In the names of my spouse and myself as community property with the right of survivorship

My spouse's name (if applicable): _____

☐ In the names of my spouse and myself as joint tenants with the right of survivorship
☐ In the name of an eligible revocable trust ***[requires Stock Transfer Agreement]***

Full legal name of revocable trust:

_____

_____

_____

*While the Company will register the Purchased Shares in accordance with your instruction, this document does not control or change the nature of the Purchased Shares as community property or separate property. You are advised to consult your own advisor to determine if additional steps or documentation are required in this regard.

Representations and Acknowledgements of the Optionee:

1. I represent and warrant to the Company that I am acquiring and will hold the Purchased Shares for investment for my account only, and not with a view to, or for resale in connection with, any "distribution" of the Purchased Shares within the meaning of the Securities Act of 1933, as amended (the "Securities Act").

2. I understand that my purchase of the Purchased Shares has not been registered under the Securities Act by reason of a specific exemption therefrom and that the Purchased Shares must be held indefinitely, unless they are subsequently registered under the Securities Act or I obtain an opinion of counsel (in form and substance satisfactory to the Company and its counsel) that registration is not required.

3. I acknowledge that the Company is under no obligation to register the Purchased Shares or any sale or transfer thereof.

4. I am aware of Rule 144 under the Securities Act, which permits limited public resales of securities acquired in a non-public offering, subject to the satisfaction of certain conditions. These conditions may include (without limitation) that certain current public information about the issuer be available, that the resale occur only after a holding period required by Rule 144 has been satisfied, that the sale occur through an unsolicited "broker's transaction" and that the amount of securities being sold during any three-month period not exceed specified limitations. I understand that the conditions for resale set forth in Rule 144 have not been satisfied as of the date set forth below and that the Company is not required to take action to satisfy any conditions applicable to it.

5. I will not sell, transfer or otherwise dispose of the Purchased Shares in violation of the Securities Act, the Securities Exchange Act of 1934, or the rules promulgated thereunder, including Rule 144 under the Securities Act.

6. I acknowledge that I have received and had access to such information as I consider necessary or appropriate for deciding whether to invest in the Purchased Shares and that I had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the issuance of the Purchased Shares.

7. I am aware that my investment in the Company is a speculative investment that has limited liquidity and is subject to the risk of complete loss. I am able, without impairing my financial condition, to hold the Purchased Shares for an indefinite period and to suffer a complete loss of my investment in the Purchased Shares.

8. I acknowledge that the Purchased Shares remain subject to the Company's right of first refusal, the drag-along right and the market stand-off (sometimes referred to as the "lock-up") and may remain subject to the Company's right of repurchase, all in accordance with the applicable Notice of Stock Option Grant and Stock Option Agreement. I acknowledge that the Purchased Shares remain subject to the transfer restrictions in the Company's Bylaws, as in effect at the time of my exercise. I acknowledge that any permitted transfer of the Purchased Shares may be subject to a transfer fee and must be effected on the Company's form of stock transfer agreement, as further described in the Stock Option Agreement.

9. I acknowledge that I am acquiring the Purchased Shares subject to all other terms of the Notice of Stock Option Grant and Stock Option Agreement.

10. I acknowledge that I have received a copy of the Company's explanation of the forms of ownership available for my Purchased Shares. I acknowledge that the Company has encouraged me to consult my own adviser to determine the form of ownership that is appropriate for me. In the event that I choose to transfer my Purchased Shares to a trust, I agree to sign a Stock Transfer Agreement on a form prescribed by the Company. In the event that I choose to transfer my Purchased Shares to a trust that does not satisfy the requirements described in the attached explanation (i.e., a trust that is not an eligible revocable trust), I also acknowledge that the transfer will be treated as a "disposition" for tax purposes. As a result, the favorable ISO tax treatment will be unavailable and other unfavorable tax consequences may occur.

11. I acknowledge that I have received a copy of the Company's explanation of the federal income tax consequences of an option exercise and the tax election under section 83(b) of the Internal Revenue Code. In the event that I choose to make a section 83(b) election, I acknowledge that it is my responsibility—and not the Company's responsibility—to file the election in a timely manner, even if I ask the Company or its agents to make the filing on my behalf. I acknowledge that the Company has encouraged me to consult my own adviser to determine the tax consequences of acquiring the Purchased Shares at this time.

12. I agree that the Company does not have a duty to design or administer the 2023 Stock Plan or its other compensation programs in a manner that minimizes my tax liabilities. I will not make any claim against the Company or its Board of Directors, officers or employees related to tax liabilities arising from my options or my other compensation. In particular, I acknowledge that my options are exempt from section 409A of the Internal Revenue Code only if the exercise price per share is at least equal to the fair market value per share of the Company's Common Stock at the time the option was granted by the Company's Board of Directors. Since shares of the Company's Common Stock are not traded on an established securities market, the determination of their fair market value was made by the Company's Board of Directors or by an independent valuation firm retained by the Company. I acknowledge that there is no guarantee in either case that the Internal Revenue Service will agree with the valuation, and I will not make any claim against the Company or its Board of Directors, officers or employees in the event that the Internal Revenue Service asserts that the valuation was too low.

13. I agree to seek the consent of my spouse to the extent required by the Company to enforce the foregoing.

SIGNATURE: _____ **DATE:** _____

Explanation of Forms of Stock Ownership

Purpose of This Explanation

The purpose of this explanation is to provide you with a brief summary of the forms of legal ownership available for the shares that you are purchasing (the "Purchased Shares"). For a number of reasons, this explanation is no substitute for personal legal advice:

- To make the explanation short and readable, only the highlights are covered. Some legal rules are not addressed, even though they may be important in particular cases.
- While the summary attempts to deal with the most common situations, your own situation may well be different from the norm.
- The law may change, and the Company is not responsible for updating this summary.
- The form in which you own your shares may have a *substantial* impact on the estate tax treatment that applies to those shares when you die or the income tax treatment that applies when your survivors sell the shares after your death.

For these reasons, the Company strongly encourages you to consult your own adviser before exercising your option and before making a decision about the form of ownership for your shares.

Overview

The Notice of Stock Option Exercise offers five forms of taking title to the Purchased Shares:

- In your name only,
- In your name and the name of your spouse as community property,
- In your name and the name of your spouse as community property with the right of survivorship,
- In your name and the name of your spouse as joint tenants with the right of survivorship, or
- In the name of an eligible revocable trust.

Title in the Purchased Shares depends upon (a) your marital status, (b) the marital property laws of your state of residence and (c) any agreement with your spouse altering the existing marital property laws of your state of residence. If you are not married, you generally will take title in your name alone. If you are married, title depends upon the marital property laws of your state of residence. In general, states are classified either as "community property" states or as "common-law property" states. (But individual state law may vary within these classifications.)

Community Property and Joint Tenancy

Community property states include California, Texas, Washington, Arizona, Nevada, New Mexico, Idaho, Louisiana and Wisconsin. In a community property state, property acquired during marriage by either spouse is presumed to be one-half owned by each spouse. All other property is classified as the separate property of the spouse who acquires the property. While either spouse has equal management and control over the community property and may sell, spend or encumber all community property, neither spouse may gift community property or partition his/her one-half interest without the consent of the other spouse. Upon divorce, all community property is divided equally among the spouses and each spouse is entitled to retain all of his/her separate property. Upon the death of a spouse, one-half of the community property (and all of the decedent spouse's separate property) will pass to the decedent spouse's heirs. The other one-half of the community property remains the property of the surviving spouse.

Other states are common-law property states. In a common-law property state, each spouse is generally deemed to own whatever he/she earns or acquires.

A married couple may elect to alter the marital property rules by mutually agreeing to take title to property in other forms. For example, a couple residing in a community property state may generally enter into an agreement and transform what otherwise would be community property into the separate property of the spouse who earns or acquires the property.

In addition, many community property and common-law property states allow married couples to take joint title in property acquired during marriage. For example, California allows a married couple to take title in a joint tenancy with the right of survivorship. In a joint tenancy, each spouse owns a one-half interest in the property as separate property. This means that each spouse may transfer or sell his/her one-half interest in the property while he/she is alive. However, unlike traditional separate property, a spouse cannot transfer his/her one-half interest to heirs at death. Instead, the surviving spouse *automatically* receives the decedent spouse's one-half interest and becomes the full owner of the property. (This is called the "right of survivorship.") Both spouses must consent to taking property in a joint tenancy in lieu of having the community property laws apply.

California also allows a married couple to take title in the shares as community property with the right of survivorship. This means that the shares are treated like community property while both spouses are alive. However, if one spouse dies, then the other spouse automatically receives the decedent spouse's one-half interest and becomes the full owner of the shares. In other words, the decedent spouse's will or trust does *not* control the disposition of the shares.

If you have the Purchased Shares issued in a form other than those described above, then the transfer will be treated as a "disposition" for tax purposes. This means that the effect, for tax purposes, will be the same as selling the Purchased Shares. Please refer to the attached tax summary for additional information.

Trusts

A transfer to a trust generally should not be treated as a "disposition" of the Purchased Shares for tax purposes if the trust satisfies each of the following conditions:

- You are the sole grantor of the trust,
- You are the sole trustee, or you and your spouse are the sole co-trustees,
- The trustee or trustees are not required to distribute the income of the trust to any person other than you and/or your spouse while you are alive, and
- The trust permits you to revoke all or part of the trust and to have the trust's assets returned to you, without the consent of any other person (including your spouse).

If you have the Purchased Shares issued to a trust that does not meet these requirements, then the transfer will be treated as a "disposition" for tax purposes. This means that the effect, for tax purposes, will be the same as selling the Purchased Shares. Please refer to the attached tax summary for additional information.

If you have the Purchased Shares issued to any trust, you will be required to sign a Stock Transfer Agreement in your capacity as trustee. Under the Stock Transfer Agreement, the Purchased Shares remain subject to the Company's right of first refusal and may remain subject to the Company's right of repurchase, all in accordance with the applicable Notice of Stock Option Grant and Stock Option Agreement.

The Company will not check to determine whether the form of ownership that you elect in your Notice of Stock Option Exercise is appropriate. You should consult your own advisers on this subject. If an inappropriate election is made, the form of ownership may not withstand legal scrutiny or may have adverse tax consequences.

EXPLANATION OF FEDERAL INCOME TAX CONSEQUENCES
AND SECTION 83(b) ELECTION
(Current as of January 2022)

PURPOSE OF THIS EXPLANATION

The purpose of this explanation is to provide you with a brief summary of the tax consequences of exercising your option. For a number of reasons, this explanation is no substitute for personal tax advice:

- To make the explanation short and readable, only the highlights are covered. Some tax rules are not addressed, even though they may be important in particular cases.
- While the summary attempts to deal with the most common situations, your own tax situation may well be different from the norm.
- State and foreign income taxes are not addressed at all, even though they could have a significant impact on your tax planning. Likewise, federal gift and estate taxes and state inheritance taxes are not discussed.
- Tax planning involving incentive stock options is exceedingly complex, in part because of the possible application of the alternative minimum tax.
- The explanation assumes that you are paying the exercise price of your option in cash (or in the form of a full-recourse promissory note with an interest rate that meets IRS requirements). If you are paying the exercise price in the form of stock, you become subject to special rules that are not addressed here.
- This explanation assumes that your option is not subject to section 409A of the Internal Revenue Code. However, the Company cannot be certain that section 409A is inapplicable to your option. (Please refer to the last segment of this summary for more information about section 409A.)
- The tax rules change often, and the Company is not responsible for updating this summary. (Please refer to the date at the top of this page.)

FOR THESE REASONS, THE COMPANY STRONGLY ENCOURAGES YOU TO CONSULT YOUR OWN TAX ADVISER BEFORE EXERCISING YOUR OPTION AND BEFORE MAKING A DECISION ABOUT FILING OR NOT FILING A SECTION 83(b) ELECTION.

EXERCISE OF NSO TO PURCHASE VESTED SHARES

The Notice of Stock Option Grant indicates whether your Purchased Shares are already vested. Vested shares are no longer subject to the Company's right to repurchase them, although they are still subject to the Company's right of first refusal. If you know that your Purchased Shares are already vested, there is no need to file a section 83(b) election.

If you are exercising an NSO to purchase vested shares, you generally will be taxed at the time of exercise. You will recognize ordinary income in an amount equal to the excess of (a) the fair market value of the Purchased Shares on the date of exercise over (b) the exercise price you are paying. If you are an employee or former employee of the Company, this amount is subject to withholding for income and payroll taxes. Your tax basis in the Purchased Shares (to calculate capital gain when you sell the shares) is equal to the sum of the exercise price you paid for the Purchased Shares plus any additional amount you recognized as income on the exercise date.

Exercise of NSO to Purchase Non-Vested Shares

If you are exercising an NSO to purchase non-vested shares, and if you do not file a timely election under section 83(b) of the Internal Revenue Code, then you will not be taxed at the time of exercise. Instead, you will be taxed whenever an increment of Purchased Shares vests—in other words, when the Company no longer has the right to repurchase those shares. The Notice of Stock Option Grant indicates when this occurs, generally over a period of several years. Whenever an increment of Purchased Shares vests, you will recognize ordinary income in an amount equal to the excess of (a) the fair market value of those Purchased Shares on the date of vesting over (b) the exercise price you are paying for those Purchased Shares. If you are an employee or former employee of the Company, this amount will be subject to withholding for income and payroll taxes. Your tax basis in the Purchased Shares (to calculate capital gain when you sell the shares) will be equal to the sum of the exercise price you paid for the Purchased Shares plus any additional amount you recognized as income on each vesting date.

If you are exercising an NSO to purchase non-vested shares, and if you file a timely election under section 83(b) of the Internal Revenue Code, then you will be taxed at the time of exercise. You will recognize ordinary income in an amount equal to the excess of (a) the fair market value of the Purchased Shares on the date of exercise over (b) the exercise price you are paying. If you are an employee or former employee of the Company, this amount is subject to withholding for income and payroll taxes. Your tax basis in the Purchased Shares (to calculate capital gain when you sell the shares) is equal to the sum of the exercise price you paid for the Purchased Shares plus any additional amount you recognized as income as a result of filing the section 83(b) election. Even if the fair market value of the Purchased Shares on the date of exercise equals the exercise price (and thus no tax is payable), the section 83(b) election must be made in order to avoid having any subsequent appreciation taxed as ordinary income at the time of vesting.

You must file a section 83(b) election with the Internal Revenue Service within 30 days after the Notice of Stock Option Exercise is signed. The 30-day filing period cannot be extended. If you miss the deadline, you will be taxed as the Purchased Shares vest, based on the value of the shares at that time. (See above.) The form for making the 83(b) election is attached. Additional copies of the form must be filed with the Company.

Disposition of NSO Shares

When you dispose of the Purchased Shares, you will recognize a capital gain equal to the excess of (a) the sale proceeds over (b) your tax basis in the Purchased Shares. If the sale proceeds are less than your tax basis, you will recognize a capital loss. The capital gain or loss will be long-term if you held the Purchased Shares for more than 12 months. The holding period normally starts when you exercise your NSO. In general, the maximum marginal federal income tax rate on long-term capital gains is 20% under current law, but lower long-term capital gain rates may apply to certain taxpayers.

Effective January 1, 2013, as a result of the Health Care and Education Reconciliation Act of 2010, an additional Medicare contribution tax is imposed at a rate of 3.8% on the "net investment income" of individuals with adjusted gross incomes in excess of $200,000 ($250,000 in the case of a joint return, and $125,000 in the case of a married taxpayer filing separately). "Net investment income" includes income from interest, dividends, and capital gains, reduced by the deductions properly allocated to such income.

Depending on the level of your adjusted gross income, the additional Medicare contribution tax may be imposed on any short-term and long-term capital gain income and can increase your marginal tax rate.

Limit on ISO Treatment

The Notice of Stock Option Grant indicates whether your option is a nonstatutory stock option (NSO) or an incentive stock option (ISO). The favorable tax treatment for ISOs is limited, regardless of what the Notice of Stock Option Grant indicates. Of the options that become exercisable in any calendar year, only options covering the first $100,000 of stock are eligible for ISO treatment. The excess over $100,000 automatically receives NSO treatment. For this purpose, stock is valued at the time of grant. This means that the value is generally equal to the exercise price.

For example, assume that you hold an option to buy 50,000 shares for $4 per share. Assume further that the entire option is exercisable immediately after the date of grant. (It is irrelevant when the underlying stock vests.) Only the first 25,000 shares qualify for ISO treatment. (25,000 times $4 equals $100,000.) The remaining 25,000 shares will be treated as if they had been acquired by exercising an NSO. This is true regardless of when the option is *actually* exercised; what matters is when it first *could* have been exercised.

Exercise of ISO and ISO Holding Periods

If you are exercising an ISO, you will not be taxed under the *regular* tax rules until you dispose of the Purchased Shares.[1] (The alternative minimum tax rules are described below.) The tax treatment at the time of disposition depends on how long you hold the shares. You will satisfy the ISO holding periods if you hold the Purchased Shares until the *later* of the following dates:

- More than two years after the ISO was granted, and
- More than one year after the ISO is exercised.

Disposition of ISO Shares

If you dispose of the Purchased Shares after satisfying *both* of the ISO holding periods, then you will recognize only a long-term capital gain at the time of disposition. The amount of the capital gain is equal to the excess of (a) the sale proceeds over (b) the exercise price. In general, the maximum marginal federal income tax rate on long-term capital gains is 20% under current law, but lower long-term capital gain rates may apply to certain taxpayers.

Effective January 1, 2013, as a result of the Health Care and Education Reconciliation Act of 2010, an additional Medicare contribution tax is imposed at a rate of 3.8% on the "net investment income" of individuals with adjusted gross incomes in excess of $200,000 ($250,000 in the case of a joint return, and $125,000 in the case of a married taxpayer filing separately). "Net investment income" includes income from interest, dividends, and capital gains, reduced by the deductions properly allocated to such income.

If you dispose of the Purchased Shares before either or both of the ISO holding periods are met, then you will recognize ordinary income at the time of disposition. The calculation of the ordinary income amount depends on whether the shares are vested at the time of exercise.

- **Shares Vested**. If the shares are vested at the time of exercise, the amount of ordinary income will be equal to the excess of (a) the fair market value of the Purchased Shares on the date of exercise over (b) the exercise price. But if the disposition is an arm's length sale to an unrelated party, the amount of ordinary income will not exceed the total gain from the sale. Under current IRS rules, the ordinary income amount will not be subject to withholding for income or payroll taxes. Your tax basis in the Purchased Shares will be equal to the sum of the exercise price you paid for the Purchased Shares plus any additional amount you recognized as ordinary income. Any gain in excess of your basis will be taxed as a capital gain—either long-term or short-term, depending on how long you held the Purchased Shares after the date of exercise.
- **Shares Not Vested**. If the Purchased Shares are not vested at the time of exercise, then the amount of ordinary income will be equal to the excess of (a) the fair market value of the Purchased Shares on the date of *vesting* over (b) the exercise price. But if the disposition is an arm's length sale to an unrelated party, the amount of ordinary income will not exceed the total gain from the sale. Under current IRS rules, the ordinary income amount will not be subject to withholding for income or payroll taxes. Your tax basis in the Purchased Shares will be equal to the sum of the exercise price you paid for the Purchased Shares plus any additional amount you recognized as ordinary income. Any gain in excess of your basis will be taxed as a capital gain—either long-term or short-term, depending on how long you held the Purchased Shares after the date of vesting. Please note that it makes no difference under the *regular* tax rules whether or not you filed a section 83(b) election at the time you exercised your ISO. In either case, your regular taxable income is measured as of the time of vesting rather than the time of exercise.

[1] Generally, a "disposition" of shares purchased under an ISO encompasses any transfer of legal title, such as a transfer by sale, exchange or gift. It generally does not include a transfer to your spouse, a transfer into joint ownership with right of survivorship (if you remain one of the joint owners), a pledge, a transfer by bequest or inheritance, or certain tax-free exchanges permitted under the Internal Revenue Code. A transfer to a trust is a "disposition" unless the trust is an eligible revocable trust, as described in the attached explanation.

Summary of Alternative Minimum Tax

The alternative minimum tax (AMT) must be paid to the extent that it exceeds your regular federal income tax for the year. For 2022, the first $206,100 ($103,050 for a married taxpayer filing a separate return) of your alternative minimum taxable income for the year over the allowable exemption amount (see below) is subject to alternative minimum taxation at the rate of 26%. The balance of your alternative minimum taxable income is subject to alternative minimum taxation at the rate of 28%. The dollar thresholds dividing the 26% and 28% rates are indexed for inflation in future years. Your alternative minimum tax base is equal to your alternative minimum taxable income (AMTI) minus your exemption amount.

- **Alternative Minimum Taxable Income**. Your AMTI is equal to your regular taxable income, subject to certain adjustments and increased by items of tax preference. Among the many adjustments made in computing AMTI are the following:
  - State and local income and property taxes are not allowed as a deduction.
  - Certain interest and other deductions are not allowed.
  - When an ISO is exercised, the spread is added to income for AMT purposes. (See discussion below.)
- **Exemption Amount**. Before AMT is calculated, AMTI is reduced by the exemption amount. Under current law, the exemption amount is as follows:

Year:	Joint Returns:	Single Returns:	Separate Returns:
2022[2]	$ 118,100	$ 75,900	$ 59,050

The allowable exemption amount is reduced by $0.25 for each $1.00 by which alternative minimum taxable income for the year exceeds the following amounts:

Year:	Joint Returns:	Single Returns:	Separate Returns:
2022[3]	$ 1,079,800	$ 539,900	$ 539,900

This means, for example, in 2022, the $118,100 exemption amount is phased out completely for married individuals filing joint returns when their alternative minimum taxable income reaches $1,552,200 [($118,100 ÷ $0.25) + $1,079,800].

[2] Amounts are indexed for inflation in future years.

[3] Amounts are indexed for inflation in future years.

Application of AMT When ISO Is Exercised

As noted above, when an ISO is exercised, the spread is included in AMTI at the time of exercise, unless the Purchased Shares are not yet vested at the time of exercise. If the Purchased Shares are not yet vested, the value of the shares minus the exercise price is included in AMTI when the shares vest. However, if you make an election under section 83(b) within 30 days after exercise, then the spread is included in AMTI at the time of exercise. **You must file an 83(b) election with the Internal Revenue Service within 30 days after the Notice of Stock Option Exercise is signed**. The 30-day filing period cannot be extended.

A special rule applies if you dispose of the Purchased Shares in the same year in which you exercised the ISO. If the amount you realize on the sale is less than the value of the stock at the time of exercise, then the amount includible in AMTI on account of the ISO exercise is limited to the gain realized on the sale.[4]

To the extent that your AMT is attributable to the spread on exercising an ISO (and certain other items), you may be able to apply the AMT that you paid as a credit against your income tax liability in future years. But the rules on calculating the available tax credits were amended frequently in recent years and have become extraordinarily complex. On this issue in particular, you must consult your own tax adviser.

When Purchased Shares are sold, your basis for purposes of computing the capital gain or loss under the AMT system is increased by the option spread that exists at the time of exercise. Again, an ISO is treated under the AMT system much like an NSO is treated under the regular tax system. But your basis in the ISO shares for purposes of computing gain or loss under the regular tax system does *not* reflect any AMT that you pay on the spread at exercise. Therefore, if you pay AMT in the year of the ISO exercise and regular income tax in the year of selling the Purchased Shares, you could pay tax twice on the same gain (except to the extent that you can use the AMT credit described above).

[4] This is similar to the rule that applies under the regular tax system in the event of a disqualifying disposition of ISO stock. The amount of ordinary income that must be recognized in that case generally does not exceed the amount of the gain realized in the disposition.

SECTION 409A OF THE INTERNAL REVENUE CODE

The preceding summary assumes that section 409A of the Internal Revenue Code does not apply to your option. In general, your option is exempt from section 409A if the exercise price per share is at least equal to the fair market value per share of the Company's Common Stock at the time the option was granted by the Board of Directors. Since shares of Common Stock are not traded on an established securities market, the determination of their fair market value generally is made by the Board of Directors or by an independent appraisal firm retained by the Company. In either case, there is no guarantee that the Internal Revenue Service will agree with the valuation.

If your option were found to be subject to section 409A, then you would be required to recognize ordinary income as early as the year in which the option (or portion thereof) vests. This amount would also be subject to a 20% federal tax *in addition to* the federal income tax at your usual marginal rate for ordinary income. Additional state income taxes may apply in some states.

SECTION 83(b) ELECTION

The undersigned taxpayer hereby elects, pursuant to Sections 55 and 83(b) of the Internal Revenue Code of 1986, as amended, and pursuant to Treasury Regulations Section 1.83-2, to include in gross income as compensation for services the excess (if any) of the fair market value of the shares described below over an amount paid for those shares.

A. The taxpayer who performed the services is:

Name: _____

Address: _____

_____

Social Security No.: _____

B. The property with respect to which the election is made is _____ shares of the Common Stock of City Therapeutics, Inc.

C. The property was transferred to the taxpayer on _____ ___, _____.

D. The taxable year for which the election is made is the calendar year _____.

E. The property is subject to a repurchase right pursuant to which the issuer has the right to acquire the property if for any reason taxpayer's service with the issuer terminates. The issuer's repurchase right lapses in a series of installments over a _____-year period ending on _____ ___, _____.

F. The fair market value of such property at the time of transfer (determined without regard to any restriction other than a restriction that by its terms will never lapse) is $_____ per share x _____ shares = $_____.

G. For the property transferred, the taxpayer paid $_____ per share × _____ shares = $_____.

H. The amount to include in gross income is $_____. ***[The amount in Item F less the amount in Item G]***

I. This statement is executed on _____ ___, _____.

Signature of Spouse (if any) _____

Signature of Taxpayer _____

Within 30 days after the date of transfer of the property, this election must be filed with the Internal Revenue Service office where the taxpayer files his or her annual federal income tax return. The filing should be made by registered or certified mail, return receipt requested. The taxpayer must deliver a copy of the completed form to the Company.

CITY THERAPEUTICS, INC. 2023 STOCK PLAN

NOTICE OF STOCK OPTION GRANT (INSTALLMENT EXERCISE)

The Optionee has been granted the following option to purchase shares of the Common Stock of City Therapeutics, Inc. (the "**Company**"):

Name of Optionee:	«Name»
Total Number of Shares:	«TotalShares»
Type of Option:	«ISO» Incentive Stock Option (ISO) «NSO» Nonstatutory Stock Option (NSO)
Exercise Price per Share:	$«PricePerShare»
Date of Grant:	«DateGrant»
Vesting Schedule/Date Exercisable:	This option shall vest and become exercisable with respect to the first «Percent»% of the Shares subject to this option when the Optionee completes «CliffPeriod» months of continuous Service beginning with the Vesting Commencement Date set forth below. This option shall vest and become exercisable with respect to an additional «Fraction»% of the Shares subject to this option when the Optionee completes each month of continuous Service thereafter.
Vesting Commencement Date:	«VestComDate»
Expiration Date:	«ExpDate». This option expires earlier if the Optionee's Service terminates earlier, as provided in Section 6 of the Stock Option Agreement, or if the Company engages in certain corporate transactions, as provided in Section 9 of the Plan.

By signing below or otherwise accepting this option in a manner acceptable to the Company, the Optionee and the Company agree that this option is granted under, and governed by the terms and conditions of, this Notice of Stock Option Grant, the 2023 Stock Plan and the Stock Option Agreement. Both of the latter documents are attached to, and made a part of, this Notice of Stock Option Grant. Capitalized terms not otherwise defined herein or in the Stock Option Agreement shall have the meanings set forth in the Plan. **Section 14 of the Stock Option Agreement includes important acknowledgements of the Optionee**.

OPTIONEE:

_____

CITY THERAPEUTICS, INC.

By: _____

Title: _____

THE OPTION GRANTED PURSUANT TO THE NOTICE OF STOCK OPTION GRANT AND THIS AGREEMENT AND THE SHARES ISSUABLE UPON THE EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED, OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED.

CITY THERAPEUTICS, INC. 2023 STOCK PLAN:
STOCK OPTION AGREEMENT (INSTALLMENT EXERCISE)

SECTION 1. GRANT OF OPTION.

(a) **Option**. On the terms and conditions set forth in the Notice of Stock Option Grant, this Agreement and the Plan, the Company has granted to the Optionee on the Date of Grant the option to purchase at the Exercise Price the number of Shares set forth in the Notice of Stock Option Grant. The Exercise Price is agreed to be at least 100% of the Fair Market Value per Share on the Date of Grant (110% of Fair Market Value if this option is designated as an ISO in the Notice of Stock Option Grant and Section 3(b) of the Plan applies). This option is intended to be an ISO or an NSO, as provided in the Notice of Stock Option Grant.

(b) **$100,000 Limitation**. Even if this option is designated as an ISO in the Notice of Stock Option Grant, it shall be deemed to be an NSO to the extent (and only to the extent) required by the $100,000 annual limitation under Section 422(d) of the Code.

(c) **Stock Plan and Defined Terms**. This option is granted pursuant to the Plan, a copy of which the Optionee acknowledges having received. The provisions of the Plan are incorporated into this Agreement by this reference. Except as otherwise defined in this Agreement (including without limitation Section 15 hereof), capitalized terms shall have the meaning ascribed to such terms in the Plan.

SECTION 2. RIGHT TO EXERCISE.

(a) **Exercisability**. Subject to Subsection (b) below and the other conditions set forth in this Agreement, all or part of this option may be exercised prior to its expiration at the time or times set forth in the Notice of Stock Option Grant.

(b) **Stockholder Approval**. Any other provision of this Agreement notwithstanding, no portion of this option shall be exercisable at any time prior to the approval of the Plan by the Company's stockholders.

SECTION 3. NO TRANSFER OR ASSIGNMENT OF OPTION.

Except as otherwise provided in or pursuant to this Agreement or the Plan, this option and the rights and privileges conferred hereby shall not be sold, pledged or otherwise transferred (whether by operation of law or otherwise) and shall not be subject to sale under execution, attachment, levy or similar process.

SECTION 4. EXERCISE PROCEDURES.

(a) **Notice of Exercise**. The Optionee or the Optionee's representative may exercise this option by: (i) signing and delivering written notice (on a form prescribed by the Company) to the Company pursuant to Section 13(c) specifying the election to exercise this option, the number of Shares for which it is being exercised and the form of payment, (ii) if requested by the Company, executing and delivering such stockholders agreements as apply to the holders of the Company's preferred stock (including, without limitation, any right of first refusal and co-sale agreement and/or voting agreement of the Company) and (iii) delivering payment, in a form permissible under Section 5, for the full amount of the Purchase Price (together with any applicable withholding taxes under Subsection (b)). In the event that this option is being exercised by the representative of the Optionee, the notice shall be accompanied by proof (satisfactory to the Company) of the representative's right to exercise this option.

(b) **Withholding Taxes**. In the event that the Company determines that it is required to withhold any tax (including without limitation any income tax, social insurance contributions, payroll tax, payment on account or other tax-related items arising in connection with the Optionee's participation in the Plan and legally applicable to the Optionee (the "**Tax-Related Items**")) as a result of the grant, vesting or exercise of this option, or as a result of the transfer of shares acquired upon exercise of this option, the Optionee, as a condition of this option, shall make arrangements satisfactory to the Company to enable it to satisfy all Tax-Related Items. The Optionee acknowledges that the responsibility for all Tax-Related Items is the Optionee's and may exceed the amount actually withheld by the Company (or its affiliate or agent).

(c) **Issuance of Shares**. After satisfying all requirements for exercise of this option, the Company shall cause to be issued one or more certificates evidencing, or electronic notation representing, the Shares for which this option has been exercised. Such Shares shall be registered (i) in the name of the person exercising this option, (ii) in the names of such person and such person's spouse as community property or as joint tenants with the right of survivorship or (iii) with the Company's consent, in the name of a revocable trust. Until the issuance of the Shares has been entered into the books and records of the Company or a duly authorized transfer agent of the Company, no right to vote, receive dividends or any other right as a stockholder will exist with respect to such Shares. The Company shall cause any certificates evidencing such Shares to be delivered to or upon the order of the person exercising this option.

SECTION 5. PAYMENT FOR STOCK.

(a) **Cash**. All or part of the Purchase Price may be paid in cash or cash equivalents or pursuant to a form of electronic funds transfer acceptable to the Company.

(b) **Surrender of Stock**. At the discretion of the Board of Directors, all or any part of the Purchase Price may be paid by surrendering, or attesting to the ownership of, Shares that are already owned by the Optionee. Such Shares shall be surrendered to the Company in good form for transfer and shall be valued at their Fair Market Value as of the date when this option is exercised.

(c) **Cashless Exercise**. All or part of the Purchase Price and any withholding taxes may be paid by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company. However, payment pursuant to the preceding sentence shall be permitted only if (i) Stock then is publicly traded and (ii) such payment does not violate applicable law. If the Stock is not publicly traded at the time this option is exercised, all or part of the Purchase Price and any withholding taxes may be paid pursuant to any other cashless exercise arrangement established by the Company.

SECTION 6. TERM AND EXPIRATION.

(a) **Basic Term**. This option shall in any event expire on the expiration date set forth in the Notice of Stock Option Grant, which date is 10 years after the Date of Grant (five years after the Date of Grant if this option is designated as an ISO in the Notice of Stock Option Grant and Section 3(b) of the Plan applies).

(b) **Termination of Service (General)**. If the Optionee's Service terminates for any reason or if the Optionee dies while in Service, this option, to the extent not vested and exercisable, shall expire as provided in Subsection (e) below. To the extent this option is vested and exercisable as of the date the Optionee's Service terminates or the date the Optionee dies while in Service, or becomes vested and exercisable as a result of such termination or death, this option shall expire as provided in Subsections (c) and (d) below. Once this option (or portion thereof) has terminated, the Optionee shall have no further rights with respect to the option (or portion thereof) or to the underlying Shares.

(c) **Termination of Service (Except by Death)**. If the Optionee's Service terminates for any reason other than death, then this option, to the extent it had become vested and exercisable before the Optionee's Service terminated or becomes vested and exercisable as a result of such termination, shall expire on the earliest of the following occasions:

(i) The expiration date determined pursuant to Subsection (a) above;

(ii) The date three months after the termination of the Optionee's Service for any reason other than Disability; or

(iii) The date six months after the termination of the Optionee's Service by reason of Disability.

The Optionee may exercise all or part of this option at any time before its expiration under the preceding sentence, but only to the extent that this option had become vested and exercisable before the Optionee's Service terminated or becomes vested and exercisable as a result of such termination. In the event that the Optionee dies after termination of Service but before the expiration of this option, all or part of this option may be exercised (prior to expiration) by the executors or administrators of the Optionee's estate or by any person who has acquired this option directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that this option had become vested and exercisable before the Optionee's Service terminated or becomes vested and exercisable as a result of such termination.

(d) **Death of the Optionee**. If the Optionee dies while in Service, then this option, to the extent it had become vested and exercisable before the Optionee's death or becomes vested and exercisable as a result of the Optionee's death, shall expire on the earlier of the following dates:

(i) The expiration date determined pursuant to Subsection (a) above;

(ii) The date 12 months after the Optionee's death.

All or part of this option may be exercised at any time before its expiration under the preceding sentence by the executors or administrators of the Optionee's estate or by any person who has acquired this option directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that this option had become vested and exercisable before the Optionee's death or becomes vested and exercisable as a result of the Optionee's death.

(e) **Additional Vesting After Termination of Service; Expiration of Unvested Option**. The period of time beginning on the date that the Optionee's Service terminates or the date that the Optionee dies while in Service and ending on the date three months after the termination of the Optionee's Service or death while in Service, as applicable, is referred to in this Subsection (e) as the "**post-termination period**". To the extent this option is not fully vested and exercisable on the date the Optionee's Service terminates or the date that the Optionee dies while in Service, the Board of Directors may, during the post-termination period, take action to cause this option to become vested and exercisable (in whole or in part). In no event will this option become vested or exercisable after termination of the Optionee's Service or death unless the Board of Directors takes affirmative action pursuant to the preceding sentence or unless expressly provided in a written agreement between the Company and the Optionee. In this regard, any provision of this Agreement or another agreement that provides for vesting upon an event (including, without limitation, a change in control) will be deemed to require Service through the occurrence of such event unless the agreement clearly provides otherwise. On the date three months after termination of the Optionee's Service or the date the Optionee dies while in Service, or if sooner on the expiration date set forth in the Notice of Stock Option Grant, this option shall expire to the extent it is not vested and exercisable.

(f) **Extension of Post-Termination Exercise Periods**. Following the date on which the Company's Stock is first listed for trading on an established securities market, if during any part of the exercise period described in Subsections (c)(ii) or (iii) or Subsection (d)(ii) above the exercise of this option would be prohibited solely because the issuance of Shares upon such exercise would violate the registration requirements under the Securities Act or a similar provision of other applicable law, then instead of terminating at the end of such prescribed period, the then-vested portion of this option will instead remain outstanding and not expire until the earlier of (i) the expiration date determined pursuant to Section 6(a) above or (ii) the date on which the then-vested portion of this option has been exercisable without violation of applicable law for the aggregate period (which need not be consecutive) after termination of the Optionee's Service specified in the applicable Subsection above.

(g) **Part-Time Employment and Leaves of Absence**. If the Optionee commences working on a part-time basis, then the Company may adjust the vesting schedule set forth in the Notice of Stock Option Grant. If the Optionee goes on a leave of absence, then, to the extent permitted by applicable law, the Company may adjust or suspend the vesting schedule set forth in the Notice of Stock Option Grant. Except as provided in the preceding sentence, Service shall be deemed to continue for any purpose under this Agreement while the Optionee is on a *bona fide* leave of absence approved by the Company in writing. Service shall be deemed to terminate when such leave ends, unless the Optionee immediately returns to active work when such leave ends.

(h) **Notice Concerning ISO Treatment**. Even if this option is designated as an ISO in the Notice of Stock Option Grant, it ceases to qualify for favorable tax treatment as an ISO to the extent that it is exercised:

(i) More than three months after the date when the Optionee ceases to be an Employee for any reason other than death or permanent and total disability (as defined in Section 22(e)(3) of the Code);

(ii) More than 12 months after the date when the Optionee ceases to be an Employee by reason of permanent and total disability (as defined in Section 22(e)(3) of the Code); or

(iii) More than three months after the date when the Optionee has been on a leave of absence for three months, unless the Optionee's reemployment rights following such leave were guaranteed by statute or by contract.

SECTION 7. RIGHT OF FIRST REFUSAL.

(a) **Right of First Refusal**. In the event that the Optionee proposes to sell, pledge or otherwise transfer to a third party any Shares acquired under this Agreement, or any interest in such Shares, the Company shall have the Right of First Refusal with respect to all (and not less than all) of such Shares. If the Optionee desires to transfer Shares acquired under this Agreement, the Optionee shall give a written Transfer Notice to the Company describing fully the proposed transfer, including the number of Shares proposed to be transferred, the proposed transfer price, the name and address of the proposed Transferee and proof satisfactory to the Company that the proposed sale or transfer will not violate any applicable federal, State or foreign securities laws. The Transfer Notice shall be signed both by the Optionee and by the proposed Transferee and must constitute a binding commitment of both parties to the transfer of the Shares. The Company shall have the right to purchase all, and not less than all, of the Shares on the terms of the proposal described in the Transfer Notice (subject, however, to any change in such terms permitted under Subsection (b) below) by delivery of a notice of exercise of the Right of First Refusal within 30 days after the date when the Transfer Notice was received by the Company.

(b) **Transfer of Shares**. If the Company fails to exercise its Right of First Refusal within 30 days after the date when it received the Transfer Notice, the Optionee may, not later than 90 days following receipt of the Transfer Notice by the Company, conclude a transfer of the Shares subject to the Transfer Notice on the terms and conditions no less favorable to the Optionee than those described in the Transfer Notice, provided that any such sale is made in compliance with applicable federal, State and foreign securities laws and not in violation of any other contractual restrictions to which the Optionee is bound. Any proposed transfer on terms and conditions less favorable than those described in the Transfer Notice, as well as any subsequent proposed transfer by the Optionee, shall again be subject to the Right of First Refusal and shall require compliance with the procedure described in Subsection (a) above. If the Company exercises its Right of First Refusal, the parties shall consummate the sale of the Shares on the terms set forth in the Transfer Notice within 60 days after the date when the Company received the Transfer Notice (or within such longer period as may have been specified in the Transfer Notice); provided, however, that in the event the Transfer Notice provided that payment for the Shares was to be made in a form other than cash or cash equivalents paid at the time of transfer, the Company shall have the option of paying for the Shares with cash or cash equivalents equal to the present value of the consideration described in the Transfer Notice.

(c) **Additional or Exchanged Securities and Property**. In the event of a merger or consolidation of the Company, a sale of all or substantially all of the Company's stock or assets, any other corporate reorganization, a stock split, the declaration of a stock dividend, the declaration of an extraordinary dividend payable in a form other than stock, a spin-off, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities, any securities or other property (including cash or cash equivalents) that are by reason of such transaction exchanged for, or distributed with respect to, any Shares subject to this Section 7 shall immediately be subject to the Right of First Refusal. Appropriate adjustments to reflect the exchange or distribution of such securities or property shall be made to the number and/or class of the Shares subject to this Section 7.

(d) **Termination of Right of First Refusal**. Any other provision of this Section 7 notwithstanding, in the event that the Stock is readily tradable on an established securities market when the Optionee desires to transfer Shares, the Company shall have no Right of First Refusal, and the Optionee shall have no obligation to comply with the procedures prescribed by Subsections (a) and (b) above.

(e) **Permitted Transfers**. This Section 7 shall not apply to (i) a transfer by beneficiary designation, will or intestate succession or (ii) a transfer to one or more members of the Optionee's Immediate Family or to a trust or other entity established by the Optionee solely for the benefit of the Optionee and/or one or more members of the Optionee's Immediate Family, provided in either case that the Transferee agrees in writing on a form prescribed by the Company to be bound by all provisions of this Agreement. If the Optionee transfers any Shares acquired under this Agreement, either under this Subsection (e) or after the Company has failed to exercise the Right of First Refusal, then this Agreement shall apply to the Transferee to the same extent as to the Optionee.

(f) **Termination of Rights as Stockholder**. If the Company makes available, at the time and place and in the amount and form provided in this Agreement, the consideration for the Shares to be purchased in accordance with this Section 7, then after such time the person from whom such Shares are to be purchased shall no longer have any rights as a holder of such Shares (other than the right to receive payment of such consideration in accordance with this Agreement). Such Shares shall be deemed to have been purchased in accordance with the applicable provisions hereof, whether or not any certificate(s) therefor have been delivered as required by this Agreement.

(g) **Assignment of Right of First Refusal**. The Board of Directors may freely assign the Company's Right of First Refusal, in whole or in part. Any person who accepts an assignment of the Right of First Refusal from the Company shall be entitled to and assume all of the Company's rights and obligations under this Section 7.

SECTION 8. LEGALITY OF INITIAL ISSUANCE.

No Shares shall be issued upon the exercise of this option unless and until the Company has determined that:

(a) It and the Optionee have taken any actions required to register the Shares under the Securities Act or to perfect an exemption from the registration requirements thereof;

(b) Any applicable listing requirement of any stock exchange or other securities market on which Stock is listed has been satisfied; and

(c) Any other applicable provision of federal, State or foreign law has been satisfied.

SECTION 9. NO REGISTRATION RIGHTS.

The Company may, but shall not be obligated to, register or qualify the sale of Shares under the Securities Act or any other applicable law. The Company shall not be obligated to take any affirmative action in order to cause the sale of Shares under this Agreement to comply with any law.

SECTION 10. RESTRICTIONS ON TRANSFER OF SHARES.

(a) **General Restrictions**. The Shares acquired under this Agreement shall be subject to the transfer restrictions in the Company's Bylaws, as may be amended from time to time, in addition to, and not in limitation of, the provisions of Section 7 and 10 of this Agreement. In addition, unless the Stock is readily tradeable on an established securities market, the transfer of any of the Shares acquired pursuant to this Agreement (or any interest therein) shall, at the Company's request, be conditioned upon (i) effecting such transfer pursuant to a form of stock transfer agreement prescribed by the Company and (ii) payment of a transfer fee not to exceed $5,000.

(b) **Securities Law Restrictions**. Regardless of whether the offer and sale of Shares under the Plan have been registered under the Securities Act or have been registered or qualified under the securities laws of any State or other relevant jurisdiction, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such Shares (including the placement of appropriate legends on the stock certificates (or electronic equivalent) or the imposition of stop-transfer instructions) and may refuse (or may be required to refuse) to transfer Shares acquired hereunder (or Shares proposed to be transferred in a subsequent transfer) if, in the judgment of the Company, such restrictions, legends or refusal are necessary or appropriate to achieve compliance with the Securities Act or other relevant securities or other laws, including without limitation under Regulation S of the Securities Act or pursuant to another available exemption from registration.

(c) **Market Stand-Off**. In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act, including the Company's initial public offering, the Optionee or a Transferee shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any Shares acquired under this Agreement without the prior written consent of the Company or its managing underwriter. Such restriction (the "**Market Stand-Off**") shall be in effect for such period of time following the date of the public filing of the registration statement relating to the initial public offering (or commencing on the date of the final prospectus relating to any subsequent offering) as may be requested by the Company or such underwriter. In no event, however, shall such period exceed 180 days. The Market Stand-Off shall in any event terminate two years after the date of the Company's initial public offering. In the event of the declaration of a stock dividend, a spin-off, a stock split, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities without receipt of consideration, any new, substituted or additional securities which are by reason of such transaction distributed with respect to any Shares subject to the Market Stand-Off, or into which such Shares thereby become convertible, shall immediately be subject to the Market Stand-Off. In order to enforce the Market Stand-Off, the Company may impose stop-transfer instructions with respect to the Shares acquired under this Agreement until the end of the applicable stand-off period. The Company's underwriters shall be beneficiaries of the agreement set forth in this Subsection (c). This Subsection (c) shall not apply to Shares registered in the public offering under the Securities Act.

(d) **Investment Intent at Grant**. The Optionee represents and agrees that the Shares to be acquired upon exercising this option will be acquired for investment, and not with a view to the sale or distribution thereof.

(e) **Investment Intent at Exercise**. In the event that the sale of Shares under the Plan is not registered under the Securities Act but an exemption is available that requires an investment representation or other representation, the Optionee shall represent and agree at the time of exercise that the Shares being acquired upon exercising this option are being acquired for investment, and not with a view to the sale or distribution thereof, and shall make such other representations as are deemed necessary or appropriate by the Company and its counsel, including (if applicable because the Company is relying on Regulation S under the Securities Act) that as of the date of exercise the Optionee is (i) not a U.S. Person; (ii) not acquiring the Shares on behalf, or for the account or benefit, of a U.S. Person; and (iii) is not exercising the option in the United States.

(f) **Legends**. Any certificates (or electronic equivalent) evidencing Shares purchased under this Agreement shall bear the following legend:

"THE SHARES REPRESENTED HEREBY (AND ANY INTEREST THEREIN) MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, ENCUMBERED OR IN ANY MANNER DISPOSED OF, EXCEPT IN COMPLIANCE WITH THE TERMS OF THE STOCK OPTION AGREEMENT PURSUANT TO WHICH SUCH SHARES WERE ACQUIRED. SUCH AGREEMENT GRANTS TO THE COMPANY CERTAIN RIGHTS OF FIRST REFUSAL UPON AN ATTEMPTED TRANSFER OF THE SHARES. IN ADDITION, THE SHARES ARE SUBJECT TO RESTRICTIONS ON TRANSFER AS SET FORTH IN SUCH STOCK OPTION AGREEMENT AND SEPARATELY PURSUANT TO THE BYLAWS OF THE COMPANY. THE SECRETARY OF THE COMPANY WILL UPON WRITTEN REQUEST FURNISH A COPY OF SUCH STOCK OPTION AGREEMENT AND BYLAWS TO THE HOLDER HEREOF WITHOUT CHARGE."

Any certificates (or electronic equivalent) evidencing Shares purchased under this Agreement in an unregistered transaction shall bear the following legend (and such other restrictive legends as are required or deemed advisable under the provisions of any applicable law):

"THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR ANY SECURITIES LAWS OF ANY U.S. STATE, AND MAY NOT BE SOLD, REOFFERED, PLEDGED, ASSIGNED, ENCUMBERED OR OTHERWISE TRANSFERRED OR DISPOSED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED. IN THE ABSENCE OF REGISTRATION OR THE AVAILABILITY (CONFIRMED BY OPINION OF COUNSEL) OF AN ALTERNATIVE EXEMPTION FROM REGISTRATION UNDER THE ACT (INCLUDING WITHOUT LIMITATION IN ACCORDANCE WITH REGULATION S UNDER THE ACT), THESE SHARES MAY NOT BE SOLD, REOFFERED, PLEDGED, ASSIGNED, ENCUMBERED OR OTHERWISE TRANSFERRED OR DISPOSED OF. HEDGING TRANSACTIONS INVOLVING THESE SHARES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE ACT."

(g) **Removal of Legends**. If, in the opinion of the Company and its counsel, any legend placed on a stock certificate representing Shares sold under this Agreement is no longer required, the holder of such certificate shall be entitled to exchange such certificate for a certificate representing the same number of Shares but without such legend.

(h) **Administration**. Any determination by the Company and its counsel in connection with any of the matters set forth in this Section 10 shall be conclusive and binding on the Optionee and all other persons.

SECTION 11. DRAG ALONG RIGHT.

(a) **Required Actions**. If the Requisite Parties approve a Sale of the Company, then Optionee hereby agrees with respect to all Shares which the Optionee own(s) or over which the Optionee otherwise exercises voting or dispositive authority:

(i) if such Sale of the Company requires stockholder approval under the Certificate, the Bylaws of the Company or any law, rule or regulation applicable to the Company, to vote (in person, by proxy or by action by written consent, as applicable) such Shares in favor of such Sale of the Company (it being understood that, within five (5) days after the delivery of a proxy or consent solicitation statement (or similar document requesting the consent or approval of stockholders) in respect of any Sale of the Company, the Optionee shall duly execute and deliver a proxy or consent, as the case may be, in favor of such Sale of the Company);

(ii) if such transaction is a Stock Sale, to sell the same proportion of shares of capital stock of the Company beneficially held by the Optionee as is being sold by the Selling Holders to the person to whom the Selling Holders propose to sell their Shares;

(iii) to refrain from exercising any dissenters' rights or rights of appraisal under applicable law at any time with respect to such Sale of the Company;

(iv) if the consideration for such Shares pursuant to the Sale of the Company includes any securities, accept in lieu thereof an amount of cash equal to the fair value (as determined in good faith by the Company) of such securities to the extent reasonably necessary (as determined in good faith by the Company) to comply with applicable federal and state securities laws;

(v) if the Selling Holders appoint a stockholder representative (the "**Stockholder Representative**") for matters affecting the stockholders of the Company under the applicable definitive transaction agreements, to consent to (i) the appointment of such Stockholder Representative, (ii) the establishment of any applicable escrow, expense or similar fund in connection with any indemnification or similar obligations, and (iii) the payment of such Optionee's pro rata portion (from the applicable escrow or expense fund or otherwise) of any and all reasonable fees and expenses to such Stockholder Representative in connection with such Stockholder Representative's services and duties in connection with such Sale of the Company and its related service as the representative of the stockholders;

(vi) to agree to make representations and warranties and to agree to indemnity and other liability obligations in connection with the Sale of the Company on terms and conditions that, taken as a whole, are no less favorable to Optionee than to other holders of Common Stock of the Company; and

(vii) to execute and deliver all related documentation and take such other action in support of the Sale of the Company, as reasonably requested by the Company, including a written consent, release and/or joinder, and to not take any action inconsistent with the Sale of the Company.

(b) **Exceptions**. Notwithstanding the foregoing, an Optionee will not be required to comply with Subsection (a) above in connection with any Sale of the Company unless (i) each holder of each class or series of the Company's stock will receive the same form of consideration for their shares of such class or series as is received by other holders in respect of their shares of such same class or series of stock and (ii) each holder of Common Stock will receive the same amount of consideration per share of Common Stock as is received by other holders in respect of their shares of Common Stock, subject, in each case, to any "rollover" or similar arrangements provided in the definitive documents relating to such Sale of the Company. If the consideration to be paid in exchange for the Shares pursuant to such Sale of the Company includes any securities and due receipt thereof by the Optionee would require under applicable law (x) the registration or qualification of such securities or of any person as a broker or dealer or agent with respect to such securities; or (y) the provision to any Optionee of any information other than such information as a prudent issuer would generally furnish in an offering made solely to "accredited investors" as defined in Regulation D promulgated under the Securities Act, the Company may cause to be paid to any such Optionee in lieu thereof, against surrender of the Shares which would have otherwise been sold by such Optionee, an amount in cash equal to the fair value (as determined in good faith by the Company's Board of Directors or the Requisite Parties, as applicable) of the securities which such Optionee would otherwise receive as of the date of the issuance of such securities in exchange for the Shares.

SECTION 12. ADJUSTMENT OF SHARES.

In the event of any transaction described in Section 9(a) of the Plan, the terms of this option (including, without limitation, the number and kind of Shares subject to this option and the Exercise Price) shall be adjusted as set forth in Section 9(a) of the Plan. In the event that the Company is a party to a merger or consolidation or in the event of a sale of all or substantially all of the Company's stock or assets, this option shall be subject to the treatment provided by the Board of Directors in its sole discretion, as provided in Section 9(b) of the Plan.

SECTION 13. MISCELLANEOUS PROVISIONS.

(a) **Rights as a Stockholder**. Neither the Optionee nor the Optionee's representative shall have any rights as a stockholder with respect to any Shares subject to this option until the Optionee or the Optionee's representative becomes entitled to receive such Shares by filing a notice of exercise and paying the Purchase Price pursuant to Sections 4 and 5.

(b) **No Retention Rights**. Nothing in this option or in the Plan shall confer upon the Optionee any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Parent or Subsidiary employing or retaining the Optionee) or of the Optionee, which rights are hereby expressly reserved by each, to terminate the Optionee's Service at any time and for any reason, with or without cause.

(c) **Notice**. Any notice required by the terms of this Agreement shall be given in writing. It shall be deemed effective upon (i) personal delivery, (ii) deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid, (iii) deposit with Federal Express Corporation, with shipping charges prepaid or (iv) deposit with any internationally recognized express mail courier service, with shipping charges prepaid. Notice shall be addressed to the Company at its principal executive office and to the Optionee at the address that the Optionee most recently provided to the Company in accordance with this Subsection (c). In addition, to the extent required or permitted pursuant to rules established by the Company from time to time, notices may be delivered electronically.

(d) **Modifications and Waivers**. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Optionee and by an authorized officer of the Company (other than the Optionee); provided, however, that a modification that is otherwise favorable to the Optionee (for example, providing the Optionee with additional time to exercise this option after termination of employment or providing for additional forms of payment) but causes this option to lose its tax-favored status (for example, as an ISO) shall not require the consent of the Optionee. No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(e) **Entire Agreement**. The Notice of Stock Option Grant, this Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. They supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) that relate to the subject matter hereof.

(f) **Choice of Law**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, as such laws are applied to contracts entered into and performed in such State.

(g) **Severability**. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

(h) **Binding Effect on Transferees, Heirs, Successors and Assigns**. This Agreement shall be binding upon Optionee's permitted transferees, heirs, successors and assigns; provided that for any such transfer to be deemed effective, the transferee shall agree on a form prescribed by the Company to be bound by the terms and conditions of this Agreement, including the restrictions on transfer in Section 10 and the drag along right in Section 11. The Company shall not record any transfer of Shares on its books or issue a new certificate representing any such Shares unless and until such transferee shall have complied with the terms of this Subsection (h).

SECTION 14. ACKNOWLEDGEMENTS OF THE OPTIONEE.

In addition to the other terms, conditions and restrictions imposed on this option and the Shares issuable under this option pursuant to this Agreement and the Plan, the Optionee expressly acknowledges being subject to Sections 7 (Right of First Refusal), 8 (Legality of Initial Issuance), 10 (Restrictions on Transfer of Shares, including without limitation the Market Stand-Off) and 11 (Drag Along Right), as well as the following provisions:

(a) **Tax Consequences**. The Optionee agrees that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes the Optionee's tax liabilities. The Optionee shall not make any claim against the Company or its Board of Directors, officers or employees related to tax liabilities arising from this option or the Optionee's other compensation. In particular, any Optionee subject to U.S. taxation acknowledges that this option is exempt from Section 409A of the Code only if the Exercise Price is at least equal to the Fair Market Value per Share on the Date of Grant. Since Shares are not traded on an established securities market, the determination of their Fair Market Value is made by the Board of Directors or by an independent valuation firm retained by the Company. The Optionee acknowledges that there is no guarantee in either case that the Internal Revenue Service will agree with the valuation, and the Optionee shall not make any claim against the Company or its Board of Directors, officers or employees in the event that the Internal Revenue Service asserts that the valuation was too low. In addition, if this option is designated as an ISO, the Optionee acknowledges that there is no guarantee that the option in fact qualifies for incentive stock option treatment or that it will continue to qualify for incentive stock option treatment at the time of exercise. In this regard, the Optionee acknowledges that the Company may take actions that will cause the option to cease to be eligible for incentive stock option treatment and that such actions do not require the Optionee's consent.

(b) **Electronic Delivery of Documents**. The Optionee acknowledges and agrees that the Company may, in its sole discretion, deliver all documents relating to the Company, the Plan or this option and all other documents that the Company is required to deliver to its security holders (including, without limitation, disclosures that may be required by the Securities and Exchange Commission) by email or other means of electronic transmission (including by posting them on a website maintained by the Company or a third party under contract with the Company). The Optionee acknowledges that the Optionee may incur costs in connection with any such delivery by means of electronic transmission, including the cost of accessing the internet and printing fees, and that an interruption of internet access may interfere with the Optionee's ability to access the documents.

(c) **No Notice of Expiration Date**. The Optionee agrees that the Company and its officers, employees, attorneys and agents do not have any obligation to notify him or her prior to the expiration of this option pursuant to Section 6, regardless of whether this option will expire at the end of its full term or on an earlier date related to the termination of the Optionee's Service. The Optionee further agrees that the Optionee has the sole responsibility for monitoring the expiration of this option and for exercising this option, if at all, before it expires. This Subsection (c) shall supersede any contrary representation that may have been made, orally or in writing, by the Company or by an officer, employee, attorney or agent of the Company.

(d) **Waiver of Statutory Information Rights**. The Optionee acknowledges and agrees that, upon exercise of this option and until the first sale of the Company's Stock to the general public pursuant to a registration statement filed under the Securities Act, the Optionee shall waive, and shall be deemed to have waived, any rights the Optionee would otherwise have under Section 220 of the Delaware General Corporation Law (or under similar rights pursuant to any other applicable law) to inspect for any purpose and to make copies and extracts from the Company's stock ledger, a list of its stockholders and its other books and records or the books and records of any subsidiary of the Company (the "**Inspection Rights**"). The Optionee acknowledges and understands that, but for the waiver made herein, the Optionee would be entitled, upon compliance with the procedures set forth in Section 220 of the Delaware General Corporation Law, to Inspection Rights pursuant thereto, and further acknowledges and agrees that the waiver set forth herein is a knowing and voluntary waiver of such rights, that the Optionee has received sufficient consideration for such waiver and that the Company would not be willing to provide the benefits to the Optionee hereunder without the benefit of such waiver from the Optionee. This waiver applies only in the Optionee's capacity as a stockholder and does not affect any other inspection rights the Optionee may have pursuant to any written agreement with the Company.

(e) **Plan Discretionary**. The Optionee understands and acknowledges that (i) the Plan is entirely discretionary, (ii) the Company and the Optionee's employer have reserved the right to amend, suspend or terminate the Plan at any time, (iii) the grant of an option does not in any way create any contractual or other right to receive additional grants of options (or benefits in lieu of options) at any time or in any amount and (iv) all determinations with respect to any additional grants, including (without limitation) the times when options will be granted, the number of Shares offered, the Exercise Price and the vesting schedule, will be at the sole discretion of the Company.

(f) **Termination of Service**. The Optionee understands and acknowledges that participation in the Plan ceases upon termination of the Optionee's Service for any reason, except as may explicitly be provided otherwise in the Plan or this Agreement.

(g) **Extraordinary Compensation**. The value of this option shall be an extraordinary item of compensation outside the scope of the Optionee's employment contract, if any, and shall not be considered a part of the Optionee's normal or expected compensation for purposes of calculating severance, resignation, redundancy or end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

(h) **Authorization to Disclose**. The Optionee hereby authorizes and directs the Optionee's employer to disclose to the Company or any Subsidiary any information regarding the Optionee's employment, the nature and amount of the Optionee's compensation and the fact and conditions of the Optionee's participation in the Plan, as the Optionee's employer deems necessary or appropriate to facilitate the administration of the Plan.

(i) **Personal Data Authorization**. The Optionee consents to the collection, use and transfer of personal data as described in this Subsection (i). The Optionee understands and acknowledges that the Company, the Optionee's employer and the Company's other Subsidiaries hold certain personal information regarding the Optionee for the purpose of managing and administering the Plan, including (without limitation) the Optionee's name, home address, telephone number, date of birth, social insurance number, salary, nationality, job title, any Shares or directorships held in the Company and details of all options or any other entitlements to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Optionee's favor (the "**Data**"). The Optionee further understands and acknowledges that the Company and/or its Subsidiaries will transfer Data among themselves as necessary for the purpose of implementation, administration and management of the Optionee's participation in the Plan and that the Company and/or any Subsidiary may each further transfer Data to any third party assisting the Company in the implementation, administration and management of the Plan. The Optionee understands and acknowledges that the recipients of Data may be located in the United States or elsewhere. The Optionee authorizes such recipients to receive, possess, use, retain and transfer Data, in electronic or other form, for the purpose of administering the Optionee's participation in the Plan, including a transfer to any broker or other third party with whom the Optionee elects to deposit Shares acquired under the Plan of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on the Optionee's behalf. The Optionee may, at any time, view the Data, require any necessary modifications of Data or withdraw the consents set forth in this Subsection (i) by contacting the Company in writing.

SECTION 15. DEFINITIONS.

(a) "**Agreement**" shall mean this Stock Option Agreement.

(b) "**Board of Directors**" shall mean the Board of Directors of the Company, as constituted from time to time or, if a Committee has been appointed, such Committee.

(c) "**Certificate**" shall mean the Company's amended and restated certificate of incorporation as in effect from time to time.

(d) "**Company**" shall mean City Therapeutics, Inc., a Delaware corporation.

(e) "**Immediate Family**" shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law and shall include adoptive relationships.

(f) "**Optionee**" shall mean the person named in the Notice of Stock Option Grant.

(g) "**Plan**" shall mean the City Therapeutics, Inc. 2023 Stock Plan, as in effect on the Date of Grant.

(h) "**Purchase Price**" shall mean the Exercise Price multiplied by the number of Shares with respect to which this option is being exercised.

(i) "**Requisite Parties**" shall mean both the Board of Directors and the Selling Holders.

(j) "**Right of First Refusal**" shall mean the Company's right of first refusal described in Section 7.

(k) "**Sale of the Company**" shall mean: (i) a transaction or series of related transactions in which a person, or a group of related persons, acquires from stockholders of the Company shares representing more than fifty percent (50%) of the outstanding voting power of the Company (a "**Stock Sale**"), (ii) a sale of all or substantially all of the assets of the Company or (iii) any other transaction that qualifies as a "Liquidation Event" as defined in the Certificate.

(l) "**Selling Holders**" shall mean the holders of a majority of the then-outstanding shares of Common Stock (voting together as a single class and on an as-converted basis).

(m) "**Service**" shall mean service as an Employee, Outside Director or Consultant. In case of any dispute as to whether and when Service has terminated, the Board of Directors shall have sole discretion to determine whether such termination has occurred and the effective date of such termination.

(n) "**Transferee**" shall mean any person to whom the Optionee has directly or indirectly transferred any Share acquired under this Agreement.

(o) "**Transfer Notice**" shall mean the notice of a proposed transfer of Shares described in Section 7.

(p) "**U.S. Person**" shall mean a person described in Rule 902(k) of Regulation S of the Securities Act (or any successor rule or provision), which generally defines a U.S. person as any natural person resident in the United States, any estate of which any executor or administrator is a U.S. Person, or any trust of which of any trustee is a U.S. Person.

CITY THERAPEUTICS, INC. 2023 STOCK PLAN
NOTICE OF STOCK OPTION EXERCISE (INSTALLMENT EXERCISE)

You must sign this Notice on Page 3 before submitting it to the Company.

OPTIONEE INFORMATION:

Name: _____ Social Security Number: _____
Address: _____ Employee Number: _____
_____ Email Address: _____
_____

OPTION INFORMATION:

Date of Grant: _____ ___, 20__
Exercise Price per Share: $_____
Total number of shares of Common Stock of City Therapeutics, Inc. (the "Company") covered by the option: _____

Type of Stock Option:
☐ Nonstatutory (NSO)
☐ Incentive (ISO)

EXERCISE INFORMATION:

Number of shares of Common Stock of the Company for which the option is being exercised now: _____. (These shares are referred to below as the "Purchased Shares.")

Total Exercise Price for the Purchased Shares: $_____

Form of payment enclosed ***[check all that apply]***:

☐ Check for $_____, payable to "City Therapeutics, Inc."

☐ Certificate(s) for _____ shares of Common Stock of the Company. These shares will be valued as of the date this notice is received by the Company. ***[Requires Company consent.]***

☐ Attestation Form covering _____ shares of Common Stock of the Company. These shares will be valued as of the date this notice is received by the Company. ***[Requires Company consent.]***

Name(s) in which the Purchased Shares should be registered ***[please review the attached explanation of the available forms of ownership, and then check one box]****:

☐ In my name only

☐ In the names of my spouse and myself as community property

☐ In the names of my spouse and myself as community property with the right of survivorship

☐ In the names of my spouse and myself as joint tenants with the right of survivorship

☐ In the name of an eligible revocable trust ***[requires Stock Transfer Agreement]***

My spouse's name (if applicable):

_____

Full legal name of revocable trust:

_____

_____

_____

*While the Company will register the Purchased Shares in accordance with your instruction, this document does not control or change the nature of the Purchased Shares as community property or separate property. You are advised to consult your own advisor to determine if additional steps or documentation are required in this regard.

Representations and Acknowledgements of the Optionee:

1. I represent and warrant to the Company that I am acquiring and will hold the Purchased Shares for investment for my account only, and not with a view to, or for resale in connection with, any "distribution" of the Purchased Shares within the meaning of the Securities Act of 1933, as amended (the "Securities Act").

2. I understand that my purchase of the Purchased Shares has not been registered under the Securities Act by reason of a specific exemption therefrom and that the Purchased Shares must be held indefinitely, unless they are subsequently registered under the Securities Act or I obtain an opinion of counsel (in form and substance satisfactory to the Company and its counsel) that registration is not required.

3. I acknowledge that the Company is under no obligation to register the Purchased Shares or any sale or transfer thereof.

4. I am aware of Rule 144 under the Securities Act, which permits limited public resales of securities acquired in a non-public offering, subject to the satisfaction of certain conditions. These conditions may include (without limitation) that certain current public information about the issuer be available, that the resale occur only after a holding period required by Rule 144 has been satisfied, that the sale occur through an unsolicited "broker's transaction" and that the amount of securities being sold during any three-month period not exceed specified limitations. I understand that the conditions for resale set forth in Rule 144 have not been satisfied as of the date set forth below, and that the Company is not required to take action to satisfy any conditions applicable to it.

5. I will not sell, transfer or otherwise dispose of the Purchased Shares in violation of the Securities Act, the Securities Exchange Act of 1934, or the rules promulgated thereunder, including Rule 144 under the Securities Act.

6. I acknowledge that I have received and had access to such information as I consider necessary or appropriate for deciding whether to invest in the Purchased Shares and that I had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the issuance of the Purchased Shares.

7. I am aware that my investment in the Company is a speculative investment that has limited liquidity and is subject to the risk of complete loss. I am able, without impairing my financial condition, to hold the Purchased Shares for an indefinite period and to suffer a complete loss of my investment in the Purchased Shares.

8. I acknowledge that the Purchased Shares remain subject to the Company's right of first refusal, the drag-along right and the market stand-off (sometimes referred to as the "lock-up"), all in accordance with the applicable Notice of Stock Option Grant and Stock Option Agreement. I acknowledge that the Purchased Shares remain subject to the transfer restrictions in the Company's Bylaws, as in effect at the time of my exercise. I acknowledge that any permitted transfer of the Purchased Shares may be subject to a transfer fee and must be effected on the Company's form of stock transfer agreement, as further described in the Stock Option Agreement.

9. I acknowledge that I am acquiring the Purchased Shares subject to all other terms of the Notice of Stock Option Grant and Stock Option Agreement.

10. I acknowledge that I have received a copy of the Company's explanation of the forms of ownership available for my Purchased Shares. I acknowledge that the Company has encouraged me to consult my own adviser to determine the form of ownership that is appropriate for me. In the event that I choose to transfer my Purchased Shares to a trust, I agree to sign a Stock Transfer Agreement on a form prescribed by the Company. In the event that I choose to transfer my Purchased Shares to a trust that does not satisfy the requirements described in the attached explanation (i.e., a trust that is not an eligible revocable trust), I also acknowledge that the transfer will be treated as a "disposition" for tax purposes. As a result, the favorable ISO tax treatment will be unavailable and other unfavorable tax consequences may occur.

11. I acknowledge that I have received a copy of the Company's explanation of the federal income tax consequences of an option exercise. I acknowledge that the Company has encouraged me to consult my own adviser to determine the tax consequences of acquiring the Purchased Shares at this time.

12. I agree that the Company does not have a duty to design or administer the 2023 Stock Plan or its other compensation programs in a manner that minimizes my tax liabilities. I will not make any claim against the Company or its Board of Directors, officers or employees related to tax liabilities arising from my options or my other compensation. In particular, I acknowledge that my options are exempt from section 409A of the Internal Revenue Code only if the exercise price per share is at least equal to the fair market value per share of the Company's Common Stock at the time the option was granted by the Company's Board of Directors. Since shares of the Company's Common Stock are not traded on an established securities market, the determination of their fair market value was made by the Company's Board of Directors or by an independent valuation firm retained by the Company. I acknowledge that there is no guarantee in either case that the Internal Revenue Service will agree with the valuation, and I will not make any claim against the Company or its Board of Directors, officers or employees in the event that the Internal Revenue Service asserts that the valuation was too low.

13. I agree to seek the consent of my spouse to the extent required by the Company to enforce the foregoing.

SIGNATURE: **DATE:**

Explanation of Forms of Stock Ownership

Purpose of This Explanation

The purpose of this explanation is to provide you with a brief summary of the forms of legal ownership available for the shares that you are purchasing (the "Purchased Shares"). For a number of reasons, this explanation is no substitute for personal legal advice:

- To make the explanation short and readable, only the highlights are covered. Some legal rules are not addressed, even though they may be important in particular cases.
- While the summary attempts to deal with the most common situations, your own situation may well be different from the norm.
- The law may change, and the Company is not responsible for updating this summary.
- The form in which you own your shares may have a *substantial* impact on the estate tax treatment that applies to those shares when you die or the income tax treatment that applies when your survivors sell the shares after your death.

For these reasons, the Company strongly encourages you to consult your own adviser before exercising your option and before making a decision about the form of ownership for your shares.

Overview

The Notice of Stock Option Exercise offers five forms of taking title to the Purchased Shares:

- In your name only,
- In your name and the name of your spouse as community property,
- In your name and the name of your spouse as community property with the right of survivorship,
- In your name and the name of your spouse as joint tenants with the right of survivorship, or
- In the name of an eligible revocable trust.

Title in the Purchased Shares depends upon (a) your marital status, (b) the marital property laws of your state of residence and (c) any agreement with your spouse altering the existing marital property laws of your state of residence. If you are not married, you generally will take title in your name alone. If you are married, title depends upon the marital property laws of your state of residence. In general, states are classified either as "community property" states or as "common-law property" states. (But individual state law may vary within these classifications.)

Community Property and Joint Tenancy

Community property states include California, Texas, Washington, Arizona, Nevada, New Mexico, Idaho, Louisiana and Wisconsin. In a community property state, property acquired during marriage by either spouse is presumed to be one-half owned by each spouse. All other property is classified as the separate property of the spouse who acquires the property. While either spouse has equal management and control over the community property and may sell, spend or encumber all community property, neither spouse may gift community property or partition his/her one-half interest without the consent of the other spouse. Upon divorce, all community property is divided equally among the spouses and each spouse is entitled to retain all of his/her separate property. Upon the death of a spouse, one-half of the community property (and all of the decedent spouse's separate property) will pass to the decedent spouse's heirs. The other one-half of the community property remains the property of the surviving spouse.

Other states are common-law property states. In a common-law property state, each spouse is generally deemed to own whatever he/she earns or acquires.

A married couple may elect to alter the marital property rules by mutually agreeing to take title to property in other forms. For example, a couple residing in a community property state may generally enter into an agreement and transform what otherwise would be community property into the separate property of the spouse who earns or acquires the property.

In addition, many community property and common-law property states allow married couples to take joint title in property acquired during marriage. For example, California allows a married couple to take title in a joint tenancy with the right of survivorship. In a joint tenancy, each spouse owns a one-half interest in the property as separate property. This means that each spouse may transfer or sell his/her one-half interest in the property while he/she is alive. However, unlike traditional separate property, a spouse cannot transfer his/her one-half interest to heirs at death. Instead, the surviving spouse *automatically* receives the decedent spouse's one-half interest and becomes the full owner of the property. (This is called the "right of survivorship.") Both spouses must consent to taking property in a joint tenancy in lieu of having the community property laws apply.

California also allows a married couple to take title in the shares as community property with the right of survivorship. This means that the shares are treated like community property while both spouses are alive. However, if one spouse dies, then the other spouse automatically receives the decedent spouse's one-half interest and becomes the full owner of the shares. In other words, the decedent spouse's will or trust does *not* control the disposition of the shares.

If you have the Purchased Shares issued in a form other than those described above, then the transfer will be treated as a "disposition" for tax purposes. This means that the effect, for tax purposes, will be the same as selling the Purchased Shares. Please refer to the attached tax summary for additional information.

Trusts

A transfer to a trust generally should not be treated as a "disposition" of the Purchased Shares for tax purposes if the trust satisfies each of the following conditions:

- You are the sole grantor of the trust,
- You are the sole trustee, or you and your spouse are the sole co-trustees,
- The trustee or trustees are not required to distribute the income of the trust to any person other than you and/or your spouse while you are alive, and
- The trust permits you to revoke all or part of the trust and to have the trust's assets returned to you, without the consent of any other person (including your spouse).

If you have the Purchased Shares issued to a trust that does not meet these requirements, then the transfer will be treated as a "disposition" for tax purposes. This means that the effect, for tax purposes, will be the same as selling the Purchased Shares. Please refer to the attached tax summary for additional information.

If you have the Purchased Shares issued to any trust, you will be required to sign a Stock Transfer Agreement in your capacity as trustee. Under the Stock Transfer Agreement, the Purchased Shares remain subject to the Company's right of first refusal in accordance with the applicable Notice of Stock Option Grant and Stock Option Agreement.

The Company will not check to determine whether the form of ownership that you elect in your Notice of Stock Option Exercise is appropriate. You should consult your own advisers on this subject. If an inappropriate election is made, the form of ownership may not withstand legal scrutiny or may have adverse tax consequences.

Explanation of U.S. Federal Income Tax Consequences
(Current as of January 2022)

Purpose of This Explanation

The purpose of this explanation is to provide you with a brief summary of the tax consequences of exercising your option. For a number of reasons, this explanation is no substitute for personal tax advice:

- To make the explanation short and readable, only the highlights are covered. Some tax rules are not addressed, even though they may be important in particular cases.
- While the summary attempts to deal with the most common situations, your own tax situation may well be different from the norm.
- State and foreign income taxes are not addressed at all, even though they could have a significant impact on your tax planning. Likewise, federal gift and estate taxes and state inheritance taxes are not discussed.
- Tax planning involving incentive stock options is exceedingly complex, in part because of the possible application of the alternative minimum tax.
- This explanation assumes that your option is not subject to section 409A of the Internal Revenue Code. However, the Company cannot be certain that section 409A is inapplicable to your option. (Please refer to the last segment of this summary for more information about section 409A.)
- The tax rules change often, and the Company is not responsible for updating this summary. (Please refer to the date at the top of this page.)

For these reasons, the Company strongly encourages you to consult your own tax adviser before exercising your option.

Exercise of NSO

If you are exercising an NSO, you generally will be taxed at the time of exercise. You will recognize ordinary income in an amount equal to the excess of (a) the fair market value of the Purchased Shares on the date of exercise over (b) the exercise price you are paying. If you are an employee or former employee of the Company, this amount is subject to withholding for income and payroll taxes. Your tax basis in the Purchased Shares (to calculate capital gain when you sell the shares) is equal to the sum of the exercise price you paid for the Purchased Shares plus any additional amount you recognized as income on the exercise date.

Disposition of NSO Shares

When you dispose of the Purchased Shares, you will recognize a capital gain equal to the excess of (a) the sale proceeds over (b) your tax basis in the Purchased Shares. If the sale proceeds are less than your tax basis, you will recognize a capital loss. The capital gain or loss will be long-term if you held the Purchased Shares for more than 12 months. The holding period starts when you exercise your NSO. In general, the maximum marginal federal income tax rate on long-term capital gains is 20% under current law, but lower long-term capital gain rates may apply to certain taxpayers.

Effective January 1, 2013, as a result of the Health Care and Education Reconciliation Act of 2010, an additional Medicare contribution tax is imposed at a rate of 3.8% on the "net investment income" of individuals with adjusted gross incomes in excess of $200,000 ($250,000 in the case of a joint return, and $125,000 in the case of a married taxpayer filing separately). "Net investment income" includes income from interest, dividends, and capital gains, reduced by the deductions properly allocated to such income.

Depending on the level of your adjusted gross income, the additional Medicare contribution tax may be imposed on any short-term and long-term capital gain income and can increase your marginal tax rate.

Limit on ISO Treatment

The Notice of Stock Option Grant indicates whether your option is a nonstatutory stock option (NSO) or an incentive stock option (ISO). The favorable tax treatment for ISOs is limited, regardless of what the Notice of Stock Option Grant indicates. Of the options that become exercisable in any calendar year, only options covering the first $100,000 of stock are eligible for ISO treatment. The excess over $100,000 automatically receives NSO treatment. For this purpose, stock is valued at the time of grant. This means that the value is generally equal to the exercise price.

For example, assume that you hold an option to buy 60,000 shares for $8 per share. Assume further that the entire option becomes exercisable in four equal annual installments. Only the first 50,000 shares qualify for ISO treatment. (12,500 times $8 equals $100,000.) The remaining 10,000 shares will be treated as if they had been acquired by exercising an NSO. This is true regardless of when the option is *actually* exercised; what matters is when it first *could* have been exercised.

Exercise of ISO and ISO Holding Periods

If you are exercising an ISO, you will not be taxed under the *regular* tax rules until you dispose of the Purchased Shares.[1] (The alternative minimum tax rules are described below.) The tax treatment at the time of disposition depends on how long you hold the shares. You will satisfy the ISO holding periods if you hold the Purchased Shares until the *later* of the following dates:

- More than two years after the ISO was granted, and

[1] Generally, a "disposition" of shares purchased under an ISO encompasses any transfer of legal title, such as a transfer by sale, exchange or gift. It generally does not include a transfer to your spouse, a transfer into joint ownership with right of survivorship (if you remain one of the joint owners), a pledge, a transfer by bequest or inheritance, or certain tax-free exchanges permitted under the Internal Revenue Code. A transfer to a trust is a "disposition" unless the trust is an eligible revocable trust, as described in the attached explanation.

- More than one year after the ISO is exercised.

Disposition of ISO Shares

If you dispose of the Purchased Shares after satisfying *both* of the ISO holding periods, then you will recognize only a long-term capital gain at the time of disposition. The amount of the capital gain is equal to the excess of (a) the sale proceeds over (b) the exercise price. In general, the maximum marginal federal income tax rate on long-term capital gains is 20% under current law, but lower long-term capital gain rates may apply to certain taxpayers.

Effective January 1, 2013, as a result of the Health Care and Education Reconciliation Act of 2010, an additional Medicare contribution tax is imposed at a rate of 3.8% on the "net investment income" of individuals with adjusted gross incomes in excess of $200,000 ($250,000 in the case of a joint return, and $125,000 in the case of a married taxpayer filing separately). "Net investment income" includes income from interest, dividends, and capital gains, reduced by the deductions properly allocated to such income.

If you dispose of the Purchased Shares before either or both of the ISO holding periods are met, then you will recognize ordinary income at the time of disposition. The amount of ordinary income will be equal to the excess of (a) the fair market value of the Purchased Shares on the date of exercise over (b) the exercise price. But if the disposition is an arm's length sale to an unrelated party, the amount of ordinary income will not exceed the total gain from the sale. Under current IRS rules, the ordinary income amount will not be subject to withholding for income or payroll taxes.

Your tax basis in the Purchased Shares will be equal to the sum of the exercise price you paid for the Purchased Shares plus any additional amount you recognized as ordinary income. Any gain in excess of your basis will be taxed as a capital gain—either long-term or short-term, depending on how long you held the Purchased Shares after the date of exercise.

Summary of Alternative Minimum Tax

The alternative minimum tax (AMT) must be paid to the extent that it exceeds your regular federal income tax for the year. For 2022, the first $206,100 ($103,050 for a married taxpayer filing a separate return) of your alternative minimum taxable income for the year over the allowable exemption amount (see below) is subject to alternative minimum taxation at the rate of 26%. The balance of your alternative minimum taxable income is subject to alternative minimum taxation at the rate of 28%. The dollar thresholds dividing the 26% and 28% rates are indexed for inflation in future years. Your alternative minimum tax base is equal to your alternative minimum taxable income (AMTI) minus your exemption amount.

- **Alternative Minimum Taxable Income**. Your AMTI is equal to your regular taxable income, subject to certain adjustments and increased by items of tax preference. Among the many adjustments made in computing AMTI are the following:
  - State and local income and property taxes are not allowed as a deduction.
  - Certain interest and other deductions are not allowed.
  - When an ISO is exercised, the spread is added to income for AMT purposes. (See discussion below.)
- **Exemption Amount**. Before AMT is calculated, AMTI is reduced by the exemption amount. Under current law, the exemption amount is as follows:

Year:	Joint Returns:	Single Returns:	Separate Returns:
2022[2]	$ 118,100	$ 75,900	$ 59,050

The allowable exemption amount is reduced by $0.25 for each $1.00 by which alternative minimum taxable income for the year exceeds the following amounts:

Year:	Joint Returns:	Single Returns:	Separate Returns:
2022[3]	$ 1,079,800	$ 539,900	$ 539,900

This means, for example, in 2022, the $118,100 exemption amount is phased out completely for married individuals filing joint returns when their alternative minimum taxable income reaches $1,552,200 [($118,100 ÷ $0.25) + $1,079,800].

Application of AMT When ISO Is Exercised

As noted above, when an ISO is exercised, the spread is included in AMTI at the time of exercise.

A special rule applies if you dispose of the Purchased Shares in the same year in which you exercised the ISO. If the amount you realize on the sale is less than the value of the stock at the time of exercise, then the amount includible in AMTI on account of the ISO exercise is limited to the gain realized on the sale.[4]

To the extent that your AMT is attributable to the spread on exercising an ISO (and certain other items), you may be able to apply the AMT that you paid as a credit against your income tax liability in future years. But the rules on calculating the available tax credits were amended frequently in recent years and have become extraordinarily complex. On this issue in particular, you must consult your own tax adviser.

[2] Amounts are indexed for inflation in future years.

[3] Amounts are indexed for inflation in future years.

[4] This is similar to the rule that applies under the regular tax system in the event of a disqualifying disposition of ISO stock. The amount of ordinary income that must be recognized in that case generally does not exceed the amount of the gain realized in the disposition.

When Purchased Shares are sold, your basis for purposes of computing the capital gain or loss under the AMT system is increased by the option spread that exists at the time of exercise. Again, an ISO is treated under the AMT system much like an NSO is treated under the regular tax system. But your basis in the ISO shares for purposes of computing gain or loss under the regular tax system does *not* reflect any AMT that you pay on the spread at exercise. Therefore, if you pay AMT in the year of the ISO exercise and regular income tax in the year of selling the Purchased Shares, you could pay tax twice on the same gain (except to the extent that you can use the AMT credit described above).

Section 409A of the Internal Revenue Code

The preceding summary assumes that section 409A of the Internal Revenue Code does not apply to your option. In general, your option is exempt from section 409A if the exercise price per share is at least equal to the fair market value per share of the Company's Common Stock at the time the option was granted by the Board of Directors. Since shares of Common Stock are not traded on an established securities market, the determination of their fair market value generally is made by the Board of Directors or by an independent appraisal firm retained by the Company. In either case, there is no guarantee that the Internal Revenue Service will agree with the valuation.

If your option were found to be subject to section 409A, then you would be required to recognize ordinary income as early as the year in which the option (or portion thereof) vests. This amount would also be subject to a 20% federal tax *in addition to* the federal income tax at your usual marginal rate for ordinary income. Additional state income taxes may apply in some states.

CITY THERAPEUTICS, INC. 2023 STOCK PLAN:
SUMMARY OF STOCK GRANT (FOR SERVICES)

The Transferee is acquiring shares of the Common Stock of City Therapeutics, Inc. (the "Company") on the following terms:

Name of Transferee:	«Name»
Total Number of Transferred Shares:	«TotalShares»
Date of Transfer:	«DateTransfer»
Vesting Commencement Date:	«VestComDate»
Vesting Schedule:	«Percent»% of the Transferred Shares shall vest, and the Forfeiture Condition shall lapse with respect to such shares, when the Transferee completes «CliffPeriod» months of continuous Service beginning with the Vesting Commencement Date set forth above. An additional «Fraction»% of the Transferred Shares shall vest, and the Forfeiture Condition shall lapse with respect to such shares, when the Transferee completes each month of continuous Service thereafter.

By signing below or otherwise accepting this award in a manner acceptable to the Company, the Transferee and the Company agree that the acquisition of the Transferred Shares is governed by the terms and conditions of this Summary of Stock Grant, the 2023 Stock Plan and the Stock Grant Agreement. Both of these latter documents are attached to, and made a part of, this Summary of Stock Grant. Capitalized terms not otherwise defined herein or in the Stock Grant Agreement shall have the meanings set forth in the Plan.

TRANSFEREE:

_____
Email Address:

_____
Mailing Address:

_____

_____

CITY THERAPEUTICS, INC.

By: _____
Title: _____

CITY THERAPEUTICS, INC. 2023 STOCK PLAN:

STOCK GRANT AGREEMENT (FOR SERVICES)

SECTION 1. ACQUISITION OF SHARES.

(a) **Transfer**. On the terms and conditions set forth in the Summary of Stock Grant, this Agreement and the Plan, the Company agrees to transfer to the Transferee the number of Shares set forth in the Summary of Stock Grant. The transfer shall occur at the offices of the Company on the date of transfer set forth in the Summary of Stock Grant or at such other place and time as the parties may agree.

(b) **Consideration**. The Transferee and the Company agree that the Transferred Shares are being issued to the Transferee as consideration for a portion of the services performed by the Transferee for the Company. The value of such portion is agreed to be not less than 100% of the Fair Market Value of the Transferred Shares.

(c) **Stock Plan and Defined Terms**. The transfer of the Transferred Shares is subject to the Plan, a copy of which the Transferee acknowledges having received. The provisions of the Plan are incorporated into this Agreement by this reference. Except as otherwise defined in this Agreement (including without limitation Section 12 hereof), capitalized terms shall have the meaning ascribed to such terms in the Plan.

SECTION 2. FORFEITURE CONDITION.

(a) **Scope of Forfeiture Condition**. Until they vest in accordance with Subsection (b) below, the Transferred Shares shall be subject to forfeiture to the Company and shall be referred to as "**Restricted Shares**." The Transferee shall not transfer, assign, encumber or otherwise dispose of any Restricted Shares without the Company's written consent, except as provided in the following sentence. Subject to Section 4(b) below, the Transferee may transfer Restricted Shares to one or more members of the Transferee's Immediate Family or to a trust or other entity established by the Transferee solely for the benefit of the Transferee and/or one or more members of the Transferee's Immediate Family, provided in either case that the Transferee agrees in writing on a form prescribed by the Company to be bound by all provisions of this Agreement. If the Transferee transfers any Restricted Shares, then this Agreement shall apply to the Subsequent Transferee to the same extent as to the Transferee.

(b) **Vesting**. The Transferred Shares shall vest, and the Forfeiture Condition shall lapse with respect to the Transferred Shares, in accordance with the vesting schedule set forth in the Summary of Stock Grant.

(c) **Execution of Forfeiture**. The Forfeiture Condition shall be applicable only if the Transferee's Service terminates for any reason, with or without cause, including (without limitation) death or disability, before all Transferred Shares have become vested. In the event that the Transferee's Service terminates for any reason, any certificate(s) representing any remaining Restricted Shares shall be delivered to the Company. If the Restricted Shares are not represented by certificate, the forfeiture shall be effected by an appropriate book entry on the stock ledger for the Shares. The Company shall make no payment for Transferred Shares that are forfeited.

(d) **Additional or Exchanged Securities and Property**. In the event of a merger or consolidation of the Company, a sale of all or substantially all of the Company's stock or assets, any other corporate reorganization, the declaration of a stock dividend, the declaration of an extraordinary dividend payable in a form other than stock, a spin-off, a stock split, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities, any securities or other property (including cash or cash equivalents) that are by reason of such transaction exchanged for, or distributed with respect to, any Restricted Shares or into which such Restricted Shares thereby become convertible shall immediately be subject to the Forfeiture Condition. Appropriate adjustments to reflect the exchange or distribution of such securities or property shall be made to the number and/or class of the Restricted Shares.

(e) **Termination of Rights as Stockholder**. If Transferred Shares are forfeited in accordance with this Section 2, then the person who is to forfeit such Transferred Shares shall no longer have any rights as a holder of such Transferred Shares. Such Transferred Shares shall be deemed to have been forfeited in accordance with the applicable provisions hereof, whether or not any certificate(s) therefor have been delivered as required by this Agreement.

(f) **Escrow**. Upon issuance, any certificates for Restricted Shares shall be deposited in escrow with the Company to be held in accordance with the provisions of this Agreement. Any new, substituted or additional securities or other property described in Subsection (d) above shall immediately be delivered to the Company to be held in escrow, but only to the extent the Transferred Shares are at the time Restricted Shares. All regular cash dividends on Restricted Shares (or other securities at the time held in escrow) shall be paid directly to the Transferee and shall not be held in escrow. Restricted Shares, together with any other assets or securities held in escrow hereunder, shall be (i) surrendered to the Company for forfeiture and cancellation in the event that the Forfeiture Condition or Right of First Refusal applies or (ii) released to the Transferee upon the Transferee's request to the extent the Transferred Shares are no longer Restricted Shares (but not more frequently than once every six months). In any event, all Transferred Shares that have vested (and any other vested assets and securities attributable thereto) shall be released within 60 days after the earlier of (i) the termination of the Transferee's Service or (ii) the lapse of the Right of First Refusal.

(g) **Part-Time Employment and Leaves of Absence**. If the Transferee commences working on a part-time basis, then the Company may adjust the vesting schedule set forth in the Summary of Stock Grant. If the Transferee goes on a leave of absence, then, to the extent permitted by applicable law, the Company may adjust or suspend the vesting schedule set forth in the Summary of Stock Grant. Except as provided in the preceding sentence, Service shall be deemed to continue while the Transferee is on a *bona fide* leave of absence approved by the Company in writing. Service shall be deemed to terminate when such leave ends, unless the Transferee immediately returns to active work when such leave ends.

SECTION 3. RIGHT OF FIRST REFUSAL.

(a) **Right of First Refusal**. In the event that the Transferee proposes to sell, pledge or otherwise transfer to a third party any Transferred Shares, or any interest in Transferred Shares, the Company shall have the Right of First Refusal with respect to all (and not less than all) of such Transferred Shares. If the Transferee desires to transfer Transferred Shares, the Transferee shall give a written Transfer Notice to the Company describing fully the proposed transfer, including the number of Transferred Shares proposed to be transferred, the proposed transfer price, the name and address of the proposed Subsequent Transferee and proof satisfactory to the Company that the proposed sale or transfer will not violate any applicable federal, State or foreign securities laws. The Transfer Notice shall be signed both by the Transferee and by the proposed Subsequent Transferee and must constitute a binding commitment of both parties to the transfer of the Transferred Shares. The Company shall have the right to purchase all, and not less than all, of the Transferred Shares on the terms of the proposal described in the Transfer Notice (subject, however, to any change in such terms permitted under Subsection (b) below) by delivery of a notice of exercise of the Right of First Refusal within 30 days after the date when the Transfer Notice was received by the Company.

(b) **Transfer of Shares**. If the Company fails to exercise its Right of First Refusal within 30 days after receiving the Transfer Notice, the Transferee may, not later than 90 days after the Company received the Transfer Notice, conclude a transfer of the Transferred Shares subject to the Transfer Notice on the terms and conditions no less favorable to the Transferee than those described in the Transfer Notice, provided that any such sale is made in compliance with applicable federal, State and foreign securities laws and not in violation of any other contractual restrictions to which the Transferee is bound. Any proposed transfer on terms and conditions less favorable than those described in the Transfer Notice, as well as any subsequent proposed transfer by the Transferee, shall again be subject to the Right of First Refusal and shall require compliance with the procedure described in Subsection (a) above. If the Company exercises its Right of First Refusal, the parties shall consummate the sale of the Transferred Shares on the terms set forth in the Transfer Notice within 60 days after the Company received the Transfer Notice (or within such longer period as may have been specified in the Transfer Notice); provided, however, that in the event the Transfer Notice provided that payment for the Transferred Shares was to be made in a form other than cash or cash equivalents paid at the time of transfer, the Company shall have the option of paying for the Transferred Shares with cash or cash equivalents equal to the present value of the consideration described in the Transfer Notice.

(c) **Additional or Exchanged Securities and Property**. In the event of a merger or consolidation of the Company, a sale of all or substantially all of the Company's stock or assets, any other corporate reorganization, a stock split, the declaration of a stock dividend, the declaration of an extraordinary dividend payable in a form other than stock, a spin-off, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities, any securities or other property (including cash or cash equivalents) that are by reason of such transaction exchanged for, or distributed with respect to, any Transferred Shares subject to this Section 3 shall immediately be subject to the Right of First Refusal. Appropriate adjustments to reflect the exchange or distribution of such securities or property shall be made to the number and/or class of the Transferred Shares subject to this Section 3.

(d) **Termination of Right of First Refusal**. Any other provision of this Section 3 notwithstanding, in the event that the Stock is readily tradable on an established securities market when the Transferee desires to transfer Transferred Shares, the Company shall have no Right of First Refusal, and the Transferee shall have no obligation to comply with the procedures prescribed by Subsections (a) and (b) above.

(e) **Permitted Transfers**. This Section 3 shall not apply to (i) a transfer by beneficiary designation, will or intestate succession or (ii) a transfer to one or more members of the Transferee's Immediate Family or to a trust or other entity established by the Transferee solely for the benefit of the Transferee and/or one or more members of the Transferee's Immediate Family, provided in either case that the Transferee agrees in writing on a form prescribed by the Company to be bound by all provisions of this Agreement. If the Transferee transfers any Transferred Shares, either under this Subsection (e) or after the Company has failed to exercise the Right of First Refusal, then this Agreement shall apply to the Subsequent Transferee to the same extent as to the Transferee.

(f) **Termination of Rights as Stockholder**. If the Company makes available, at the time and place and in the amount and form provided in this Agreement, the consideration for the Shares to be purchased in accordance with this Section 3, then after such time the person from whom such Shares are to be purchased shall no longer have any rights as a holder of such Shares (other than the right to receive payment of such consideration in accordance with this Agreement). Such Shares shall be deemed to have been purchased in accordance with the applicable provisions hereof, whether or not any certificate(s) therefor have been delivered as required by this Agreement.

(g) **Assignment of Right of First Refusal**. The Board of Directors may freely assign the Company's Right of First Refusal, in whole or in part. Any person who accepts an assignment of the Right of First Refusal from the Company shall be entitled to and assume all of the Company's rights and obligations under this Section 3.

SECTION 4. OTHER RESTRICTIONS ON TRANSFER.

(a) **Transferee Representations**. In connection with the issuance and acquisition of Shares under this Agreement, the Transferee hereby represents and warrants to the Company as follows:

(i) The Transferee is acquiring and will hold the Transferred Shares for investment for the Transferee's account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act.

(ii) The Transferee understands that the Transferred Shares have not been registered under the Securities Act by reason of a specific exemption therefrom and that the Transferred Shares must be held indefinitely, unless their sale or other transfer is subsequently registered under the Securities Act or the Transferee obtains an opinion of counsel, in form and substance satisfactory to the Company and its counsel, that such registration is not required. The Transferee further acknowledges and understands that the Company is under no obligation to register the Transferred Shares.

(iii) The Transferee is aware of Rule 144 under the Securities Act, which permits limited public resales of securities acquired in a non-public offering, subject to the satisfaction of certain conditions. These conditions may include (without limitation) that certain current public information about the issuer be available, that the resale occur only after a holding period required by Rule 144 has been satisfied, that the sale occur through an unsolicited "broker's transaction," and that the amount of securities being sold during any three-month period not exceed specified limitations. The Transferee acknowledges and understands that the conditions for resale set forth in Rule 144 have not been satisfied as of the Date of Transfer and that the Company is not required to take action to satisfy any such conditions.

(iv) The Transferee will not sell, transfer or otherwise dispose of the Transferred Shares in violation of the Securities Act, the Securities Exchange Act of 1934, or the rules promulgated thereunder, including Rule 144 under the Securities Act. The Transferee agrees that the Transferee will not dispose of the Transferred Shares unless and until the Transferee has complied with all requirements of this Agreement applicable to the disposition of Transferred Shares and the Transferee has provided the Company with written assurances, in substance and form satisfactory to the Company, that (A) the proposed disposition does not require registration of the Transferred Shares under the Securities Act or all appropriate action necessary for compliance with the registration requirements of the Securities Act or with any exemption from registration available under the Securities Act (including Rule 144) has been taken and (B) the proposed disposition will not result in the contravention of any transfer restrictions applicable to the Transferred Shares under applicable state law.

(v) The Transferee has received and has had access to such information as the Transferee considers necessary or appropriate for deciding whether to invest in the Transferred Shares, and the Transferee has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the issuance of the Transferred Shares.

(vi) The Transferee is aware that the Transferee's investment in the Company is a speculative investment that has limited liquidity and is subject to the risk of complete loss. The Transferee is able, without impairing the Transferee's financial condition, to hold the Transferred Shares for an indefinite period and to suffer a complete loss of the Transferee's investment in the Transferred Shares.

(b) **General Restrictions**. The Shares acquired pursuant to this Agreement shall be subject to the transfer restrictions in the Company's Bylaws, as may be amended from time to time, in addition to, and not in limitation of, the provisions of Section 3 and 4 of this Agreement. In addition, unless the Stock is readily tradeable on an established securities market, the transfer of any Shares acquired pursuant to this Agreement (or any interest therein) shall, at the Company's request, be conditioned upon (i) effecting such transfer pursuant to a form of stock transfer agreement prescribed by the Company and (ii) payment of a transfer fee not to exceed $5,000.

(c) **Securities Law Restrictions**. Regardless of whether the offer and sale of Shares under the Plan have been registered under the Securities Act or have been registered or qualified under the securities laws of any State or other relevant jurisdiction, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of the Transferred Shares (including the placement of appropriate legends on the stock certificates (or electronic equivalent) or the imposition of stop-transfer instructions) and may refuse (or may be required to refuse) to transfer Shares acquired hereunder (or Shares proposed to be transferred in a subsequent transfer) if, in the judgment of the Company, such restrictions, legends or refusal are necessary or appropriate to achieve compliance with the Securities Act or other relevant securities or other laws, including without limitation under Regulation S of the Securities Act or pursuant to another available exemption from registration.

(d) **Market Stand-Off**. In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act, including the Company's initial public offering, the Transferee or a Subsequent Transferee shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any Transferred Shares without the prior written consent of the Company or its managing underwriter. Such restriction (the "Market Stand-Off") shall be in effect for such period of time following the date of the public filing of the registration statement relating to the initial public offering (or commencing on the date of the final prospectus relating to any subsequent offering) as may be requested by the Company or such underwriter. In no event, however, shall such period exceed 180 days. The Market Stand-Off shall in any event terminate two years after the date of the Company's initial public offering. In the event of the declaration of a stock dividend, a spin-off, a stock split, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities without receipt of consideration, any new, substituted or additional securities which are by reason of such transaction distributed with respect to any Shares subject to the Market Stand-Off, or into which such Shares thereby become convertible, shall immediately be subject to the Market Stand-Off. In order to enforce the Market Stand-Off, the Company may impose stop-transfer instructions with respect to the Transferred Shares until the end of the applicable stand-off period. The Company's underwriters shall be beneficiaries of the agreement set forth in this Subsection (d). This Subsection (d) shall not apply to Shares registered in the public offering under the Securities Act.

(e) **Rights of the Company**. The Company shall not be required to (i) transfer on its books any Transferred Shares that have been sold or transferred in contravention of this Agreement or (ii) treat as the owner of Transferred Shares, or otherwise to accord voting, dividend or liquidation rights to, any Subsequent Transferee to whom Transferred Shares have been transferred in contravention of this Agreement.

SECTION 5. SUCCESSORS AND ASSIGNS.

Except as otherwise expressly provided to the contrary, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns and be binding upon the Transferee and the Transferee's legal representatives, heirs, legatees, distributees, assigns and transferees by operation of law, whether or not any such person has become a party to this Agreement or has agreed in writing to join herein and to be bound by the terms, conditions and restrictions hereof.

SECTION 6. NO RETENTION RIGHTS.

Nothing in this Agreement or in the Plan shall confer upon the Transferee any right to continue providing services to the Company for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Parent or Subsidiary employing or retaining the Transferee) or of the Transferee, which rights are hereby expressly reserved by each, to terminate the Transferee's Service at any time and for any reason, with or without cause.

SECTION 7. TAX ELECTION.

The acquisition of the Transferred Shares may result in adverse tax consequences that may be avoided or mitigated by filing an election under Code Section 83(b). Such election may be filed only within 30 days after the date of transfer set forth in the Summary of Stock Grant. The form for making the Code Section 83(b) election is attached to this Agreement as an Exhibit. **The Transferee should consult with the Transferee's tax advisor to determine the tax consequences of acquiring the Transferred Shares and the advantages and disadvantages of filing the Code Section 83(b) election. The Transferee acknowledges that it is the Transferee's sole responsibility, and not the Company's, to file a timely election under Code Section 83(b), even if the Transferee requests the Company or its representatives to make this filing on the Transferee's behalf.**

SECTION 8. LEGENDS.

Any certificates (or electronic equivalent) evidencing Transferred Shares shall bear the following legends:

"THE SHARES REPRESENTED HEREBY (AND ANY INTEREST THEREIN) MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, ENCUMBERED OR IN ANY MANNER DISPOSED OF, EXCEPT IN COMPLIANCE WITH THE TERMS OF THE STOCK GRANT AGREEMENT PURSUANT TO WHICH SUCH SHARES WERE ACQUIRED. SUCH AGREEMENT GRANTS TO THE COMPANY CERTAIN RIGHTS OF FIRST REFUSAL UPON AN ATTEMPTED TRANSFER OF THE SHARES AND IMPOSES CERTAIN FORFEITURE CONDITIONS UPON TERMINATION OF SERVICE WITH THE COMPANY. IN ADDITION, THE SHARES ARE SUBJECT TO RESTRICTIONS ON TRANSFER AS SET FORTH IN SUCH STOCK GRANT AGREEMENT AND SEPARATELY PURSUANT TO THE BYLAWS OF THE COMPANY. THE SECRETARY OF THE COMPANY WILL UPON WRITTEN REQUEST FURNISH A COPY OF SUCH STOCK GRANT AGREEMENT AND BYLAWS TO THE HOLDER HEREOF WITHOUT CHARGE."

Any certificates (or electronic equivalent) evidencing the Transferred Shares acquired under this Agreement in an unregistered transaction shall bear the following legend (and such other restrictive legends as are required or deemed advisable under the provisions of any applicable law):

"THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR ANY SECURITIES LAWS OF ANY U.S. STATE, AND MAY NOT BE SOLD, REOFFERED, PLEDGED, ASSIGNED, ENCUMBERED OR OTHERWISE TRANSFERRED OR DISPOSED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED. IN THE ABSENCE OF REGISTRATION OR THE AVAILABILITY (CONFIRMED BY OPINION OF COUNSEL) OF AN ALTERNATIVE EXEMPTION FROM REGISTRATION UNDER THE ACT (INCLUDING WITHOUT LIMITATION IN ACCORDANCE WITH REGULATION S UNDER THE ACT), THESE SHARES MAY NOT BE SOLD, REOFFERED, PLEDGED, ASSIGNED, ENCUMBERED OR OTHERWISE TRANSFERRED OR DISPOSED OF. HEDGING TRANSACTIONS INVOLVING THESE SHARES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE ACT."

If required by the authorities of any State in connection with the issuance of the Transferred Shares, the legend or legends required by such State authorities shall also be endorsed on all such certificates.

SECTION 9. DRAG ALONG RIGHT.

(a) **Required Actions**. If the Requisite Parties approve a Sale of the Company, then Transferee hereby agrees with respect to all Shares which the Transferee own(s) or over which the Transferee otherwise exercises voting or dispositive authority:

(i) if such Sale of the Company requires stockholder approval under the Certificate, the Bylaws of the Company or any law, rule or regulation applicable to the Company, to vote (in person, by proxy or by action by written consent, as applicable) such Shares in favor of such Sale of the Company (it being understood that, within five (5) days after the delivery of a proxy or consent solicitation statement (or similar document requesting the consent or approval of stockholders) in respect of any Sale of the Company, the Transferee shall duly execute and deliver a proxy or consent, as the case may be, in favor of such Sale of the Company);

(ii) if such transaction is a Stock Sale, to sell the same proportion of shares of capital stock of the Company beneficially held by the Transferee as is being sold by the Selling Holders to the person to whom the Selling Holders propose to sell their Shares;

(iii) to refrain from exercising any dissenters' rights or rights of appraisal under applicable law at any time with respect to such Sale of the Company;

(iv) if the consideration for such Shares pursuant to the Sale of the Company includes any securities, accept in lieu thereof an amount of cash equal to the fair value (as determined in good faith by the Company) of such securities to the extent reasonably necessary (as determined in good faith by the Company) to comply with applicable federal and state securities laws;

(v) if the Selling Holders appoint a stockholder representative (the "**Stockholder Representative**") for matters affecting the stockholders of the Company under the applicable definitive transaction agreements, to consent to (i) the appointment of such Stockholder Representative, (ii) the establishment of any applicable escrow, expense or similar fund in connection with any indemnification or similar obligations, and (iii) the payment of such Transferee's pro rata portion (from the applicable escrow or expense fund or otherwise) of any and all reasonable fees and expenses to such Stockholder Representative in connection with such Stockholder Representative's services and duties in connection with such Sale of the Company and its related service as the representative of the stockholders;

(vi) to agree to make representations and warranties and to agree to indemnity and other liability obligations in connection with the Sale of the Company on terms and conditions that, taken as a whole, are no less favorable to Transferee than to other holders of Common Stock of the Company; and

(vii) to execute and deliver all related documentation and take such other action in support of the Sale of the Company, as reasonably requested by the Company, including a written consent, release and/or joinder, and to not take any action inconsistent with the Sale of the Company.

(b) **Exceptions**. Notwithstanding the foregoing, a Transferee will not be required to comply with Subsection (a) above in connection with any Sale of the Company unless (i) each holder of each class or series of the Company's stock will receive the same form of consideration for their shares of such class or series as is received by other holders in respect of their shares of such same class or series of stock and (ii) each holder of Common Stock will receive the same amount of consideration per share of Common Stock as is received by other holders in respect of their shares of Common Stock, subject, in each case, to any "rollover" or similar arrangements provided in the definitive documents relating to such Sale of the Company. If the consideration to be paid in exchange for the Shares pursuant to such Sale of the Company includes any securities and due receipt thereof by the Transferee would require under applicable law (x) the registration or qualification of such securities or of any person as a broker or dealer or agent with respect to such securities; or (y) the provision to any Transferee of any information other than such information as a prudent issuer would generally furnish in an offering made solely to "accredited investors" as defined in Regulation D promulgated under the Securities Act, the Company may cause to be paid to any such Transferee in lieu thereof, against surrender of the Shares which would have otherwise been sold by such Transferee, an amount in cash equal to the fair value (as determined in good faith by the Company's Board of Directors or the Requisite Parties, as applicable) of the securities which such Transferee would otherwise receive as of the date of the issuance of such securities in exchange for the Shares.

SECTION 10. MISCELLANEOUS PROVISIONS.

(a) **Choice of Law**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware (except its choice-of-law provisions), as such laws are applied to contracts entered into and performed in such State.

(b) **Notice.** Any notice required by the terms of this Agreement shall be given in writing. It shall be deemed effective upon (i) personal delivery, (ii) deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid, (iii) deposit with Federal Express Corporation, with shipping charges prepaid or (iv) deposit with any internationally recognized express mail courier service, with shipping charges prepaid. Notice shall be addressed to the Company at its principal executive office and to the Transferee at the address that the Transferee most recently provided to the Company in accordance with this Subsection (b). In addition, to the extent required or permitted pursuant to rules established by the Company from time to time, notices may be delivered electronically.

(c) **Entire Agreement**. The Summary of Stock Grant, this Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. They supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) that relate to the subject matter hereof.

(d) **Modifications and Waivers**. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Transferee and an authorized officer of the Company (other than the Transferee). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision of or of the same condition or provision at another time.

(e) **Severability**. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

(f) **Binding Effect on Transferees, Heirs, Successors and Assigns**. This Agreement shall be binding upon Transferee's permitted transferees, heirs, successors and assigns; provided that for any such transfer to be deemed effective, the transferee shall agree on a form prescribed by the Company to be bound by the terms and conditions of this Agreement, including the forfeiture condition in Section 2, the right of first refusal in Section 3, the restrictions on transfer in Section 4 and the drag along right in Section 9. The Company shall not record any transfer of Shares on its books or issue a new certificate representing any such Shares unless and until such transferee shall have complied with the terms of this Subsection (f).

SECTION 11. ACKNOWLEDGEMENTS OF THE TRANSFEREE.

In addition to the other terms, conditions and restrictions imposed on the Shares acquired pursuant to this Agreement, the Transferee expressly acknowledges being subject to Sections 2 (Forfeiture Condition), 3 (Right of First Refusal), 4 (Other Restrictions on Transfer, including without limitation the Market Stand-Off) and 9 (Drag Along Right), as well as the following provisions:

(a) **Electronic Delivery of Documents**. The Transferee acknowledges and agrees that the Company may, in its sole discretion, deliver all documents relating to the Company, the Plan or this award and all other documents that the Company is required to deliver to its security holders (including, without limitation, disclosures that may be required by the Securities and Exchange Commission) by email or other means of electronic transmission (including by posting them on a website maintained by the Company or a third party under contract with the Company). The Transferee acknowledges that the Transferee may incur costs in connection with any such delivery by means of electronic transmission, including the cost of accessing the internet and printing fees, and that an interruption of internet access may interfere with the Transferee's ability to access the documents.

(b) **Tax Consequences and Withholding**. The Transferee agrees that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes the Transferee's tax liabilities. The Transferee shall not make any claim against the Company or its Board of Directors, officers or employees related to tax liabilities arising from this award or the Transferee's other compensation. In the event that the Company determines that it is required to withhold any tax (including without limitation any income tax, social insurance contributions, payroll tax, payment on account or other tax-related items arising in connection with the Transferee's participation in the Plan and legally applicable to the Transferee (the "**Tax-Related Items**")) as a result of the grant or vesting of the Transferred Shares, the Transferee, as a condition of this award, shall make arrangements satisfactory to the Company to enable it to satisfy all Tax-Related Items. The Transferee acknowledges that the responsibility for all Tax-Related Items is the Transferee's and may exceed the amount actually withheld by the Company (or its affiliate or agent).

(c) **Waiver of Statutory Information Rights**. The Transferee acknowledges and agrees that, until the first sale of the Company's Stock to the general public pursuant to a registration statement filed under the Securities Act, the Transferee shall waive, and shall be deemed to have waived, any rights the Transferee would otherwise have under Section 220 of the Delaware General Corporation Law (or under similar rights pursuant to any other applicable law) to inspect for any purpose and to make copies and extracts from the Company's stock ledger, a list of its stockholders and its other books and records or the books and records of any subsidiary of the Company (the "**Inspection Rights**"). The Transferee acknowledges and understands that, but for the waiver made herein, the Transferee would be entitled, upon compliance with the procedures set forth in Section 220 of the Delaware General Corporation Law, to Inspection Rights pursuant thereto, and further acknowledges and agrees that the waiver set forth herein is a knowing and voluntary waiver of such rights, that the Transferee has received sufficient consideration for such waiver and that the Company would not be willing to provide the benefits to the Transferee hereunder without the benefit of such waiver from the Transferee. This waiver applies only in the Transferee's capacity as a stockholder and does not affect any other inspection rights the Transferee may have pursuant to any written agreement with the Company.

(d) **Plan Discretionary**. The Transferee understands and acknowledges that (i) the Plan is entirely discretionary, (ii) the Company and the Transferee's employer have reserved the right to amend, suspend or terminate the Plan at any time, (iii) the transfer of the Transferred Shares does not in any way create any contractual or other right to receive additional awards under the Plan at any time or in any amount and (iv) all determinations with respect to any additional awards, including (without limitation) the times when awards will be granted, the number of Shares offered and the vesting schedule, will be at the sole discretion of the Company.

(e) **Termination of Service**. The Transferee understands and acknowledges that participation in the Plan ceases upon termination of the Transferee's Service for any reason, except as may explicitly be provided otherwise in the Plan or this Agreement.

(f) **Extraordinary Compensation**. The value of the Transferred Shares shall be an extraordinary item of compensation outside the scope of the Transferee's employment contract, if any, and shall not be considered a part of the Transferee's normal or expected compensation for purposes of calculating severance, resignation, redundancy or end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

(g) **Authorization to Disclose**. The Transferee hereby authorizes and directs the Transferee's employer to disclose to the Company or any Subsidiary any information regarding the Transferee's employment, the nature and amount of the Transferee's compensation and the fact and conditions of the Transferee's participation in the Plan, as the Transferee's employer deems necessary or appropriate to facilitate the administration of the Plan.

(h) **Personal Data Authorization**. The Transferee consents to the collection, use and transfer of personal data as described in this Subsection (h). The Transferee understands and acknowledges that the Company, the Transferee's employer and the Company's other Subsidiaries hold certain personal information regarding the Transferee for the purpose of managing and administering the Plan, including (without limitation) the Transferee's name, home address, telephone number, date of birth, social insurance number, salary, nationality, job title, any Shares or directorships held in the Company and details of all options or any other entitlements to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Transferee's favor (the "**Data**"). The Transferee further understands and acknowledges that the Company and/or its Subsidiaries will transfer Data among themselves as necessary for the purpose of implementation, administration and management of the Transferee's participation in the Plan and that the Company and/or any Subsidiary may each further transfer Data to any third party assisting the Company in the implementation, administration and management of the Plan. The Transferee understands and acknowledges that the recipients of Data may be located in the United States or elsewhere. The Transferee authorizes such recipients to receive, possess, use, retain and transfer Data, in electronic or other form, for the purpose of administering the Transferee's participation in the Plan, including a transfer to any broker or other third party with whom the Transferee elects to deposit Shares acquired under the Plan of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on the Transferee's behalf. The Transferee may, at any time, view the Data, require any necessary modifications of Data or withdraw the consents set forth in this Subsection (h) by contacting the Company in writing.

SECTION 12. DEFINITIONS.

(a) "**Agreement**" shall mean this Stock Grant Agreement.

(b) "**Board of Directors**" shall mean the Board of Directors of the Company, as constituted from time to time or, if a Committee has been appointed, such Committee.

(c) "**Certificate**" shall mean the Company's amended and restated certificate of incorporation, as in effect from time to time.

(d) "**Company**" shall mean City Therapeutics, Inc., a Delaware corporation.

(e) "**Forfeiture Condition**" shall mean the forfeiture condition described in Section 2.

(f) "**Immediate Family**" shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law and shall include adoptive relationships.

(g) "**Plan**" shall mean the City Therapeutics, Inc. 2023 Stock Plan, as amended.

(h) "**Requisite Parties**" shall mean both the Board of Directors and the Selling Holders.

(i) "**Restricted Share**" shall mean a Transferred Share that is subject to the Forfeiture Condition.

(j) "**Right of First Refusal**" shall mean the Company's right of first refusal described in Section 3.

(k) "**Sale of the Company**" shall mean: (i) a transaction or series of related transactions in which a person, or a group of related persons, acquires from stockholders of the Company shares representing more than fifty percent (50%) of the outstanding voting power of the Company (a "**Stock Sale**"), (ii) a sale of all or substantially all of the assets of the Company or (iii) any other transaction that qualifies as a "Liquidation Event" as defined in the Certificate.

(l) "**Selling Holders**" shall mean the holders of a majority of the then-outstanding shares of Common Stock (voting together as a single class and on an as-converted basis).

(m) "**Service**" shall mean service as an Employee, Outside Director or Consultant. In case of any dispute as to whether and when Service has terminated, the Board of Directors shall have sole discretion to determine whether such termination has occurred and the effective date of such termination.

(n) "**Subsequent Transferee**" shall mean any person to whom the Transferee has directly or indirectly transferred any Transferred Shares.

(o) "**Transferee**" shall mean the individual named in the Summary of Stock Grant.

(p) "**Transfer Notice**" shall mean the notice of a proposed transfer of Transferred Shares described in Section 3.

(q) "**Transferred Shares**" shall mean the Shares acquired by the Transferee pursuant to this Agreement.

EXHIBIT I

SECTION 83(b) ELECTION

The undersigned taxpayer hereby elects, pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, and pursuant to Treasury Regulations Section 1.83-2, to include in gross income as compensation for services the fair market value of the shares described below.

(1) The taxpayer who performed the services is:

Name: _____

Address: _____

_____

Social Security No.: _____

(2) The property with respect to which the election is made is _____ shares of the Common Stock of City Therapeutics, Inc.

(3) The property was transferred to the taxpayer on _____ __, ____.

(4) The taxable year for which the election is made is the calendar year ____.

(5) The property is subject to forfeiture if for any reason taxpayer's service with the issuer terminates. The forfeiture condition lapses in a series of installments over a ____-year period ending on _____ __, ____.

(6) The fair market value of such property at the time of transfer (determined without regard to any restriction other than a restriction that by its terms will never lapse) is $_____ per share x _____ shares = $_____.

(7) No amount was paid for such property.

(8) The amount to include in gross income is $_____. ***[The amount in Line 6.]***

(9) A copy of this statement was furnished to City Therapeutics, Inc., for whom taxpayer rendered the services underlying the transfer of such property.

(10) This statement is executed on _____ __, ____.

_____ _____

Spouse (if any) Taxpayer

Within 30 days after the date of transfer of the property, this election must be filed with the Internal Revenue Service office where the taxpayer files the taxpayer's annual federal income tax return. The filing should be made by registered or certified mail, return receipt requested. The taxpayer must deliver a copy of the completed form to the Company.

CITY THERAPEUTICS, INC.
FORM OF NON-EMPLOYEE DIRECTOR

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this "**Agreement**") is made as of [●] by and between City Therapeutics, Inc., a Delaware corporation (the "**Company**"), and [●] ("**Indemnitee**").

RECITALS

WHEREAS, the Company desires to attract and retain the services of highly qualified individuals, such as Indemnitee, to serve the Company;

WHEREAS, in order to induce Indemnitee to [continue to] provide services to the Company, the Company wishes to provide for the indemnification of, and advancement of expenses to, Indemnitee to the maximum extent permitted by law;

WHEREAS, the Amended and Restated Certificate of Incorporation (as amended and in effect from time to time, the "**Charter**") and the Amended and Restated Bylaws (as amended and in effect from time to time, the "**Bylaws**") of the Company require indemnification of the officers and directors of the Company, and Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (the "**DGCL**");

WHEREAS, the Charter, the Bylaws and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification;

WHEREAS, the Board of Directors of the Company (the "**Board**") has determined that the increased difficulty in attracting and retaining highly qualified persons such as Indemnitee is detrimental to the best interests of the Company's stockholders;

WHEREAS, it is reasonable and prudent for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law, regardless of any amendment or revocation of the Charter or the Bylaws, so that they will [continue to] serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the indemnification provided in the Charter, the Bylaws and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder; and

[WHEREAS, Indemnitee has certain rights to indemnification and/or insurance provided by [Name of Fund/Sponsor] ("[**Name of Fund/Sponsor**]") which Indemnitee and [Name of Fund/Sponsor] intend to be secondary to the primary obligation of the Company to indemnify Indemnitee as provided in this Agreement, with the Company's acknowledgment and agreement to the foregoing being a material condition to Indemnitee's willingness to [serve] [continue to serve] on the Board.][1]

[1] This recital should be included if the director is affiliated with a fund or other entity that provides indemnification to the director that is intended to backstop the indemnification provided by the Company.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to [serve][continue to serve] as a director of the Company. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee.

Section 2. Definitions.

As used in this Agreement:

(a) "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), as in effect on the date of this Agreement; provided, however, that no Person who is a director or officer of the Company shall be deemed an Affiliate or an Associate of any other director or officer of the Company solely as a result of his or her position as director or officer of the Company.

(b) A Person shall be deemed the "Beneficial Owner" of, and shall be deemed to "Beneficially Own" and have "Beneficial Ownership" of, any securities:

(i) which such Person or any of such Person's Affiliates or Associates, directly or indirectly, Beneficially Owns (as determined pursuant to Rule 13d-3 of the Rules under the Exchange Act, as in effect on the date of this Agreement);

(ii) which such Person or any of such Person's Affiliates or Associates, directly or indirectly, has: (A) the legal, equitable or contractual right or obligation to acquire (whether directly or indirectly and whether exercisable immediately or only after the passage of time, compliance with regulatory requirements, satisfaction of one or more conditions (whether or not within the control of such Person) or otherwise) upon the exercise of any conversion rights, exchange rights, rights, warrants or options, or otherwise; (B) the right to vote pursuant to any agreement, arrangement or understanding (whether or not in writing); or (C) the right to dispose of pursuant to any agreement, arrangement or understanding (whether or not in writing) (other than customary arrangements with and between underwriters and selling group members with respect to a *bona fid*e public offering of securities);

(iii) which are Beneficially Owned, directly or indirectly, by any other Person (or any Affiliate or Associate thereof) with which such Person or any of such Person's Affiliates or Associates has any agreement, arrangement or understanding (whether or not in writing) (other than customary agreements with and between underwriters and selling group members with respect to a *bona fide* public offering of securities) for the purpose of acquiring, holding, voting or disposing of any securities of the Company; or

(iv) that are the subject of a derivative transaction entered into by such Person or any of such Person's Affiliates or Associates, including, for these purposes, any derivative security acquired by such Person or any of such Person's Affiliates or Associates that gives such Person or any of such Person's Affiliates or Associates the economic equivalent of ownership of an amount of securities due to the fact that the value of the derivative security is explicitly determined by reference to the price or value of such securities, or that provides such Person or any of such Person's Affiliates or Associates an opportunity, directly or indirectly, to profit or to share in any profit derived from any change in the value of such securities, in any case without regard to whether (A) such derivative security conveys any voting rights in such securities to such Person or any of such Person's Affiliates or Associates; (B) the derivative security is required to be, or capable of being, settled through delivery of such securities; or (C) such Person or any of such Person's Affiliates or Associates may have entered into other transactions that hedge the economic effect of such derivative security;

Notwithstanding the foregoing, no Person engaged in business as an underwriter of securities shall be deemed the Beneficial Owner of any securities acquired through such Person's participation as an underwriter in good faith in a firm commitment underwriting.

(c) A "Change in Control" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(i) Acquisition of Stock by Third Party. Any Person is or becomes the Beneficial Owner (as defined above), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities unless the change in relative Beneficial Ownership of the Company's securities by any Person results solely from a reduction in the aggregate number of outstanding shares of securities entitled to vote generally in the election of directors, provided that a Change of Control shall be deemed to have occurred if subsequent to such reduction such Person becomes the Beneficial Owner, directly or indirectly, of any additional securities of the Company conferring upon such Person any additional voting power;

(ii) Change in Board of Directors. During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Sections 2(c)(i), 2(c)(iii) or 2(c)(iv)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board;

(iii) Corporate Transactions. The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or successor entity) more than 50% of the combined voting power of the voting securities of the surviving or successor entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving or successor entity;

(iv) Liquidation. The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement for the sale, lease, exchange or other transfer by the Company, in one or a series of related transactions, of all or substantially all of the Company's assets; and

(v) Other Events. There occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) promulgated under the Exchange Act whether or not the Company is then subject to such reporting requirement.

(d) "Corporate Status" describes the status of a person as a current or former director of the Company or current or former director, manager, partner, officer, employee, agent or trustee of any other Enterprise which such person is or was serving at the request of the Company.

(e) "Enforcement Expenses" shall include all reasonable attorneys' fees, court costs, transcript costs, fees of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all other out-of-pocket disbursements or expenses of the types customarily incurred in connection with an action to enforce indemnification or advancement rights, or an appeal from such action. Expenses, however, shall not include fees, salaries, wages or benefits owed to Indemnitee.

(f) "Enterprise" shall mean any corporation (other than the Company), partnership, joint venture, trust, employee benefit plan, limited liability company or other legal entity of which Indemnitee is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee.

(g) "Expenses" shall include all reasonable attorneys' fees, court costs, transcript costs, fees of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all other out-of-pocket disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding or an appeal resulting from a Proceeding. Expenses, however, shall not include amounts paid in settlement by Indemnitee, the amount of judgments or fines against Indemnitee or fees, salaries, wages or benefits owed to Indemnitee.

(h) "Independent Counsel" means a law firm, or a partner (or, if applicable, member or shareholder) of such a law firm, that is experienced in matters of Delaware corporation law and neither presently is, nor in the past five (5) years has been, retained to represent: (i) the Company, any subsidiary of the Company, any Enterprise or Indemnitee in any matter material to any such party; or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(i) "Person" shall mean (i) an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, a business trust, a government or political subdivision, any unincorporated organization or any other association or entity including any successor (by merger or otherwise) thereof or thereto, and (ii) a "group" as that term is used for purposes of Section 13(d)(3) of the Exchange Act.

(j) The term "Proceeding" shall include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative, regulatory or investigative nature, and whether formal or informal, in which Indemnitee was, is or will be involved as a party or otherwise by reason of the fact that Indemnitee is or was a director of the Company or is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any Enterprise or by reason of any action taken by Indemnitee or of any action taken on his or her part while acting as a director of the Company or while serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any Enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement or advancement of expenses can be provided under this Agreement; provided, however, that the term "Proceeding" shall not include any action, suit or arbitration, or part thereof, initiated by Indemnitee to enforce Indemnitee's rights under this Agreement as provided for in Section 12(a) of this Agreement.

Section 3. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee to the extent set forth in this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified against all Expenses, judgments, fines, penalties, excise taxes and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee to the extent set forth in this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery (the "**Delaware Court**") shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for such expenses as the Delaware Court shall deem proper.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement and except as provided in Section 7, to the extent that Indemnitee is a party to or a participant in any Proceeding and is successful in such Proceeding or in defense of any claim, issue or matter therein, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 6. Reimbursement for Expenses of a Witness or in Response to a Subpoena. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee, by reason of his or her Corporate Status, (i) is a witness in any Proceeding to which Indemnitee is not a party and is not threatened to be made a party or (ii) receives a subpoena with respect to any Proceeding to which Indemnitee is not a party and is not threatened to be made a party, the Company shall reimburse Indemnitee for all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection therewith.

Section 7. Exclusions. Notwithstanding any provision in this Agreement to the contrary, the Company shall not be obligated under this Agreement:

(a) to indemnify for amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received such amounts under any insurance policy, contract, agreement or otherwise; provided that the foregoing shall not [(i)] apply to any personal or umbrella liability insurance maintained by Indemnitee, [or, (ii) affect the rights of Indemnitee or the Fund Indemnitors as set forth in Section 13(c)];

(b) to indemnify for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act or similar provisions of state statutory law or common law, or from the purchase or sale by Indemnitee of such securities in violation of Section 306 of the Sarbanes-Oxley Act of 2002 ("**SOX**");

(c) to indemnify with respect to any Proceeding, or part thereof, brought by Indemnitee against the Company, any legal entity which it controls, any director or officer thereof or any third party, unless (i) the Board has consented to the initiation of such Proceeding or part thereof and (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law; provided, however, that this Section 7(c) shall not apply to (A) counterclaims or affirmative defenses asserted by Indemnitee in an action brought against Indemnitee or (B) any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company in the suit for which indemnification or advancement is being sought as described in Section 12; or

(d) to provide any indemnification or advancement of expenses that is prohibited by applicable law (as such law exists at the time payment would otherwise be required pursuant to this Agreement).

Section 8. Advancement of Expenses. Subject to Section 9(b), the Company shall advance the Expenses incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances (including any invoices received by Indemnitee, which such invoices may be redacted as necessary to avoid the waiver of any privilege accorded by applicable law) from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's (i) ability to repay the expenses, (ii) ultimate entitlement to indemnification under the other provisions of this Agreement and (iii) entitlement to and availability of insurance coverage, including advancement, payment or reimbursement of defense costs, expenses or covered loss under the provisions of any applicable insurance policy (including, without limitation, whether such advancement, payment or reimbursement is withheld, conditioned or delayed by the insurer(s)). Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement which shall constitute an undertaking providing that Indemnitee undertakes to the fullest extent required by law to repay the advance if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Indemnitee is not entitled to be indemnified by the Company. No other form of undertaking shall be required. The right to advances under this paragraph shall in all events continue until final disposition of any Proceeding, including any appeal therein. Nothing in this Section 8 shall limit Indemnitee's right to advancement pursuant to Section 12(e) of this Agreement.

Section 9. Procedure for Notification and Defense of Claim.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request therefor specifying the basis for the claim, the amounts for which Indemnitee is seeking payment under this Agreement, and all documentation related thereto as reasonably requested by the Company.

(b) In the event that the Company shall be obligated hereunder to provide indemnification for or make any advancement of Expenses with respect to any Proceeding, the Company shall be entitled to assume the defense of such Proceeding, or any claim, issue or matter therein, with counsel approved by Indemnitee (which approval shall not be unreasonably withheld or delayed) upon the delivery to Indemnitee of written notice of the Company's election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees or expenses of separate counsel subsequently employed by or on behalf of Indemnitee with respect to the same Proceeding; provided that (i) Indemnitee shall have the right to employ separate counsel in any such Proceeding at Indemnitee's expense and (ii) if (A) the employment of separate counsel by Indemnitee has been previously authorized by the Company, (B) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of such defense, (C) the Company shall not continue to retain such counsel to defend such Proceeding or (D) a Change in Control shall have occurred, then the fees and expenses actually and reasonably incurred by Indemnitee with respect to his or her separate counsel shall be Expenses hereunder.

(c) In the event that the Company does not assume the defense in a Proceeding pursuant to paragraph (b) above, then the Company will be entitled to participate in the Proceeding at its own expense.

(d) The Company shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected without its prior written consent (which consent shall not be unreasonably withheld or delayed). Without limiting the generality of the foregoing, the fact that an insurer under an applicable insurance policy delays or is unwilling to consent to such settlement or is or may be in breach of its obligations under such policy, or the fact that directors' and officers' liability insurance is otherwise unavailable or not maintained by the Company, may not be taken into account by the Company in determining whether to provide its consent. The Company shall not, without the prior written consent of Indemnitee (which consent shall not be unreasonably withheld or delayed), enter into any settlement which (i) includes an admission of fault of Indemnitee, any non-monetary remedy imposed on Indemnitee or any monetary damages for which Indemnitee is not wholly and actually indemnified hereunder or (ii) with respect to any Proceeding with respect to which Indemnitee may be or is made a party or may be otherwise entitled to seek indemnification hereunder, does not include the full release of Indemnitee from all liability in respect of such Proceeding.

Section 10. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to Section 9(a), a determination, if such determination is required by applicable law, with respect to Indemnitee's entitlement to indemnification hereunder shall be made in the specific case by one of the following methods: (x) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Board; or (y) if a Change in Control shall not have occurred: (i) by a majority vote of the disinterested directors, even though less than a quorum; (ii) by a committee of disinterested directors designated by a majority vote of the disinterested directors, even though less than a quorum; or (iii) if there are no disinterested directors or if the disinterested directors so direct, by Independent Counsel in a written opinion to the Board. For purposes hereof, disinterested directors are those members of the Board who are not parties to the action, suit or proceeding in respect of which indemnification is sought. In the case that such determination is made by Independent Counsel, a copy of Independent Counsel's written opinion shall be delivered to Indemnitee and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within thirty (30) days after such determination. Indemnitee shall cooperate with the Independent Counsel or the Company, as applicable, in making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such counsel or the Company, upon reasonable advance request, any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. The Company shall likewise cooperate with Indemnitee and Independent Counsel, if applicable, in making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such counsel and Indemnitee, upon reasonable advance request, any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to the Company and reasonably necessary to such determination. Any out-of-pocket costs or expenses (including reasonable attorneys' fees and disbursements) actually and reasonably incurred by Indemnitee in so cooperating with the Independent Counsel or the Company shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(b) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 10(a), the Independent Counsel shall be selected by the Board if a Change in Control shall not have occurred or, if a Change in Control shall have occurred, by Indemnitee. Indemnitee or the Company, as the case may be, may, within ten (10) days after written notice of such selection, deliver to the Company or Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or the Delaware Court has determined that such objection is without merit. If, within twenty (20) days after the later of (i) submission by Indemnitee of a written request for indemnification pursuant to Section 9(a), and (ii) the final disposition of the Proceeding, including any appeal therein, no Independent Counsel shall have been selected without objection, either Indemnitee or the Company may petition the Delaware Court for resolution of any objection which shall have been made by Indemnitee or the Company to the selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate. The person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 10(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 12(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(c) Notwithstanding anything to the contrary contained in this Agreement, the determination of entitlement to indemnification under this Agreement shall be made without regard to the Indemnitee's entitlement to and availability of insurance coverage, including advancement, payment or reimbursement of defense costs, expenses or covered loss under the provisions of any applicable insurance policy (including, without limitation, whether such advancement, payment or reimbursement is withheld, conditioned or delayed by the insurer(s)).

Section 11. Presumptions and Effect of Certain Proceedings.

(a) To the extent permitted by applicable law, in making a determination with respect to entitlement to indemnification hereunder, it shall be presumed that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 9(a) of this Agreement, and the Company shall have the burden of proof and the burden of persuasion by clear and convincing evidence to overcome that presumption in connection with the making of any determination contrary to that presumption.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of guilty, nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(c) Indemnitee shall be deemed to have acted in good faith if Indemnitee's actions were based on the records or books of account of the Company or any other Enterprise, including financial statements, or on information supplied to Indemnitee by the directors, officers, agents or employees of the Company or any other Enterprise in the course of their duties, or on the advice of legal counsel for the Company or any other Enterprise or on information or records given or reports made to the Company or any other Enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Company or any other Enterprise. The provisions of this Section 11(c) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement. In addition, the knowledge and/or actions, or failure to act, of any director, manager, partner, officer, employee, agent or trustee of the Company, any subsidiary of the Company, or any Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement. Whether or not the foregoing provisions of this Section 11(c) are satisfied, it shall in any event be presumed that Indemnitee has at all times acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

Section 12. Remedies of Indemnitee.

(a) Subject to Section 12(f), in the event that (i) a determination is made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 8 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10(a) of this Agreement within sixty (60) days after receipt by the Company of the request for indemnification for which a determination is to be made other than by Independent Counsel, (iv) payment of indemnification or reimbursement of expenses is not made pursuant to Section 5 or 6 or the last sentence of Section 10(a) of this Agreement within thirty (30) days after receipt by the Company of a written request therefor (including any invoices received by Indemnitee, which such invoices may be redacted as necessary to avoid the waiver of any privilege accorded by applicable law) or (v) payment of indemnification pursuant to Section 3 or 4 of this Agreement is not made within thirty (30) days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication by the Delaware Court of his or her entitlement to such indemnification or advancement. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 12(a); provided, however, that the foregoing time limitation shall not apply in respect of a proceeding brought by Indemnitee to enforce his or her rights under Section 5 of this Agreement. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 12 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 12, the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement, as the case may be.

(c) If a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 12, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

(e) The Company shall indemnify Indemnitee to the fullest extent permitted by law against any and all Enforcement Expenses and, if requested by Indemnitee, shall (within thirty (30) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such Enforcement Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company in the suit for which indemnification or advancement is being sought. Such written request for advancement shall include invoices received by Indemnitee in connection with such Enforcement Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Indemnitee to waive any privilege accorded by applicable law need not be included with the invoice.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding, including any appeal therein.

Section 13. Non-exclusivity; Survival of Rights; Insurance; [Primacy of Indemnification;] Subrogation.

(a) The rights of indemnification and to receive advancement as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Charter, the Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement than would be afforded currently under the Charter, Bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, managers, partners, officers, employees, agents or trustees of the Company or of any other Enterprise, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, manager, partner, officer, employee, agent or trustee under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such claim to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies. Upon request of Indemnitee, the Company shall also promptly provide to Indemnitee: (i) copies of all of the Company's potentially applicable directors' and officers' liability insurance policies, (ii) copies of such notices delivered to the applicable insurers and (iii) copies of all subsequent communications and correspondence between the Company and such insurers regarding the Proceeding.

(c) [The Company hereby acknowledges that Indemnitee has certain rights to indemnification, advancement of expenses and/or insurance provided by [Name of Fund/Sponsor] and certain of [its][their] affiliates (collectively, the "Fund Indemnitors"). The Company hereby agrees (i) that it is the indemnitor of first resort (i.e., its obligations to Indemnitee are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Indemnitee are secondary), (ii) that it shall be required to advance the full amount of expenses incurred by Indemnitee and shall be liable for the full amount of all Expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of this Agreement and the Charter and/or Bylaws (or any other agreement between the Company and Indemnitee), without regard to any rights Indemnitee may have against the Fund Indemnitors, and (iii) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the Fund Indemnitors are express third party beneficiaries of the terms of this Section 13(c).]

(d) [Except as provided in paragraph (c) above,] [I/i]n the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee [(other than against the Fund Indemnitors)], who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(e) [Except as provided in paragraph (c) above,] [T/t]he Company's obligation to provide indemnification or advancement hereunder to Indemnitee who is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement from such other Enterprise.

Section 14. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve as a director of the Company or (b) one (1) year after the final termination of any Proceeding, including any appeal, then pending in respect of which Indemnitee is granted rights of indemnification or advancement hereunder and of any proceeding commenced by Indemnitee pursuant to Section 12 of this Agreement relating thereto. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and his or her heirs, executors and administrators. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

Section 15. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 16. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to [serve][continue to serve] as a director of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Charter, the Bylaws and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

Section 17. Modification and Waiver. No supplement, modification or amendment, or waiver of any provision, of this Agreement shall be binding unless executed in writing by the parties thereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver. No supplement, modification or amendment of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee prior to such supplement, modification or amendment.

Section 18. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification, reimbursement or advancement as provided hereunder. The failure of Indemnitee to so notify the Company or any delay in notification shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise, unless, and then only to the extent that, the Company did not otherwise learn of the Proceeding and such delay is materially prejudicial to the Company's ability to defend such Proceeding or matter; and, provided, further, that notice will be deemed to have been given without any action on the part of Indemnitee in the event the Company is a party to the same Proceeding.

Section 19. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (iii) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (iv) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

(a) If to Indemnitee, at such address as Indemnitee shall provide to the Company.

(b) If to the Company to:

City Therapeutics, Inc.
399 Binney Street
Cambridge, MA 02141
Attention: Chief Legal Officer

or to any other address as may have been furnished to Indemnitee by the Company.

Section 20. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any Proceeding in such proportion as is deemed fair and reasonable in light of all of the circumstances in order to reflect (i) the relative benefits received by the Company and Indemnitee in connection with the event(s) and/or transaction(s) giving rise to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transactions.

Section 21. Internal Revenue Code Section 409A. The Company intends for this Agreement to comply with the Indemnification exception under Section 1.409A-1(b)(10) of the regulations promulgated under the Internal Revenue Code of 1986, as amended (the "**Code**"), which provides that indemnification of, or the purchase of an insurance policy providing for payments of, all or part of the expenses incurred or damages paid or payable by Indemnitee with respect to a bona fide claim against Indemnitee or the Company do not provide for a deferral of compensation, subject to Section 409A of the Code, where such claim is based on actions or failures to act by Indemnitee in his or her capacity as a service provider of the Company. The parties intend that this Agreement be interpreted and construed with such intent.

Section 22. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 12(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court, and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) consent to service of process at the address set forth in Section 19 of this Agreement with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 23. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

Section 24. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 25. Monetary Damages Insufficient/Specific Enforcement. The Company and Indemnitee agree that a monetary remedy for breach of this Agreement may be inadequate, impracticable and difficult of proof, and further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the parties hereto agree that Indemnitee may enforce this Agreement by seeking injunctive relief and/or specific performance hereof, without any necessity of showing actual damage or irreparable harm (having agreed that actual and irreparable harm will result in not forcing the Company to specifically perform its obligations pursuant to this Agreement) and that by seeking injunctive relief and/or specific performance, Indemnitee shall not be precluded from seeking or obtaining any other relief to which he may be entitled. The Company and Indemnitee further agree that Indemnitee shall be entitled to such specific performance and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bonds or other undertaking in connection therewith. The Company acknowledges that in the absence of a waiver, a bond or undertaking may be required of Indemnitee by the Court, and the Company hereby waives any such requirement of a bond or undertaking.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

CITY THERAPEUTICS, INC.

By: _____
Name:
Title:

_____
[Name of Indemnitee]

Exhibit 10.5

CITY THERAPEUTICS, INC.

FORM OF EMPLOYEE DIRECTOR / OFFICER
INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this "**Agreement**") is made as of [●] by and between City Therapeutics, Inc., a Delaware corporation (the "**Company**"), and [●] ("**Indemnitee**").

RECITALS

WHEREAS, the Company desires to attract and retain the services of highly qualified individuals, such as Indemnitee, to serve the Company;

WHEREAS, in order to induce Indemnitee to [continue to] provide services to the Company, the Company wishes to provide for the indemnification of, and advancement of expenses to, Indemnitee to the maximum extent permitted by law;

WHEREAS, the Amended and Restated Certificate of Incorporation (as amended and in effect from time to time, the "**Charter**") and the Amended and Restated Bylaws (as amended and in effect from time to time, the "**Bylaws**") of the Company require indemnification of the officers and directors of the Company, and Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (the "**DGCL**");

WHEREAS, the Charter, the Bylaws and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification;

WHEREAS, the Board of Directors of the Company (the "**Board**") has determined that the increased difficulty in attracting and retaining highly qualified persons such as Indemnitee is detrimental to the best interests of the Company's stockholders;

WHEREAS, it is reasonable and prudent for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law, regardless of any amendment or revocation of the Charter or the Bylaws, so that they will [continue to] serve the Company free from undue concern that they will not be so indemnified; and

WHEREAS, this Agreement is a supplement to and in furtherance of the indemnification provided in the Charter, the Bylaws and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to [continue to] serve as [a director and] an officer of the Company. Indemnitee may at any time and for any reason resign from [any] such position (subject to any other contractual obligation or any obligation imposed by law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee.

Section 2. Definitions.

As used in this Agreement:

(a) "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), as in effect on the date of this Agreement; provided, however, that no Person who is a director or officer of the Company shall be deemed an Affiliate or an Associate of any other director or officer of the Company solely as a result of his or her position as director or officer of the Company.

(b) A Person shall be deemed the "Beneficial Owner" of, and shall be deemed to "Beneficially Own" and have "Beneficial Ownership" of, any securities:

(i) which such Person or any of such Person's Affiliates or Associates, directly or indirectly, Beneficially Owns (as determined pursuant to Rule 13d-3 of the Rules under the Exchange Act, as in effect on the date of this Agreement);

(ii) which such Person or any of such Person's Affiliates or Associates, directly or indirectly, has: (A) the legal, equitable or contractual right or obligation to acquire (whether directly or indirectly and whether exercisable immediately or only after the passage of time, compliance with regulatory requirements, satisfaction of one or more conditions (whether or not within the control of such Person) or otherwise) upon the exercise of any conversion rights, exchange rights, rights, warrants or options, or otherwise; (B) the right to vote pursuant to any agreement, arrangement or understanding (whether or not in writing); or (C) the right to dispose of pursuant to any agreement, arrangement or understanding (whether or not in writing) (other than customary arrangements with and between underwriters and selling group members with respect to a bona fide public offering of securities);

(iii) which are Beneficially Owned, directly or indirectly, by any other Person (or any Affiliate or Associate thereof) with which such Person or any of such Person's Affiliates or Associates has any agreement, arrangement or understanding (whether or not in writing) (other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of securities) for the purpose of acquiring, holding, voting or disposing of any securities of the Company; or

(iv) that are the subject of a derivative transaction entered into by such Person or any of such Person's Affiliates or Associates, including, for these purposes, any derivative security acquired by such Person or any of such Person's Affiliates or Associates that gives such Person or any of such Person's Affiliates or Associates the economic equivalent of ownership of an amount of securities due to the fact that the value of the derivative security is explicitly determined by reference to the price or value of such securities, or that provides such Person or any of such Person's Affiliates or Associates an opportunity, directly or indirectly, to profit or to share in any profit derived from any change in the value of such securities, in any case without regard to whether (A) such derivative security conveys any voting rights in such securities to such Person or any of such Person's Affiliates or Associates; (B) the derivative security is required to be, or capable of being, settled through delivery of such securities; or (C) such Person or any of such Person's Affiliates or Associates may have entered into other transactions that hedge the economic effect of such derivative security.

Notwithstanding the foregoing, no Person engaged in business as an underwriter of securities shall be deemed the Beneficial Owner of any securities acquired through such Person's participation as an underwriter in good faith in a firm commitment underwriting.

(c) A "Change in Control" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events*:*

(i) Acquisition of Stock by Third Party. Any Person is or becomes the Beneficial Owner (as defined above), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities unless the change in relative Beneficial Ownership of the Company's securities by any Person results solely from a reduction in the aggregate number of outstanding shares of securities entitled to vote generally in the election of directors, provided that a Change of Control shall be deemed to have occurred if subsequent to such reduction such Person becomes the Beneficial Owner, directly or indirectly, of any additional securities of the Company conferring upon such Person any additional voting power;

(ii) Change in Board of Directors. During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a Person who has entered into an agreement with the Company to effect a transaction described in Sections 2(c)(i), 2(c)(iii) or 2(c)(iv)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board;

(iii) Corporate Transactions. The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or successor entity) more than 50% of the combined voting power of the voting securities of the surviving or successor entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving or successor entity;

(iv) Liquidation. The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement for the sale, lease, exchange or other transfer by the Company, in one or a series of related transactions, of all or substantially all of the Company's assets; and

(v) Other Events. There occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) promulgated under the Exchange Act whether or not the Company is then subject to such reporting requirement.

(d) "Corporate Status" describes the status of a person as a current or former [director or] officer of the Company or current or former director, manager, partner, officer, employee, agent or trustee of any other Enterprise which such person is or was serving at the request of the Company.

(e) "Enforcement Expenses" shall include all reasonable attorneys' fees, court costs, transcript costs, fees of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all other out-of-pocket disbursements or expenses of the types customarily incurred in connection with an action to enforce indemnification or advancement rights, or an appeal from such action. Expenses, however, shall not include fees, salaries, wages or benefits owed to Indemnitee.

(f) "Enterprise" shall mean any corporation (other than the Company), partnership, joint venture, trust, employee benefit plan, limited liability company or other legal entity of which Indemnitee is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee.

(g) "Expenses" shall include all reasonable attorneys' fees, court costs, transcript costs, fees of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all other out-of-pocket disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding or an appeal resulting from a Proceeding. Expenses, however, shall not include amounts paid in settlement by Indemnitee, the amount of judgments or fines against Indemnitee or fees, salaries, wages or benefits owed to Indemnitee.

(h) "Independent Counsel" means a law firm, or a partner (or, if applicable, member or shareholder) of such a law firm, that is experienced in matters of Delaware corporation law and neither presently is, nor in the past five (5) years has been, retained to represent: (i) the Company, any subsidiary of the Company, any Enterprise or Indemnitee in any matter material to any such party; or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any Person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(i) "Person" shall mean (i) an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, a business trust, a government or political subdivision, any unincorporated organization or any other association or entity including any successor (by merger or otherwise) thereof or thereto, and (ii) a "group" as that term is used for purposes of Section 13(d)(3) of the Exchange Act.

(j) The term "Proceeding" shall include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative, regulatory or investigative nature, and whether formal or informal, in which Indemnitee was, is or will be involved as a party or otherwise by reason of the fact that Indemnitee is or was [a director or] an officer of the Company or is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any Enterprise or by reason of any action taken by Indemnitee or of any action taken on his or her part while acting as [a director or] an officer of the Company or while serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any Enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement or advancement of expenses can be provided under this Agreement; provided, however, that the term "Proceeding" shall not include any action, suit or arbitration, or part thereof, initiated by Indemnitee to enforce Indemnitee's rights under this Agreement as provided for in Section 12(a) of this Agreement.

Section 3. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee to the extent set forth in this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified against all Expenses, judgments, fines, penalties, excise taxes and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee to the extent set forth in this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery (the "**Delaware Court**") shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for such expenses as the Delaware Court shall deem proper.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement and except as provided in Section 7, to the extent that Indemnitee is a party to or a participant in any Proceeding and is successful in such Proceeding or in defense of any claim, issue or matter therein, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 6. Reimbursement for Expenses of a Witness or in Response to a Subpoena. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee, by reason of his or her Corporate Status, (i) is a witness in any Proceeding to which Indemnitee is not a party and is not threatened to be made a party or (ii) receives a subpoena with respect to any Proceeding to which Indemnitee is not a party and is not threatened to be made a party, the Company shall reimburse Indemnitee for all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection therewith.

Section 7. Exclusions. Notwithstanding any provision in this Agreement to the contrary, the Company shall not be obligated under this Agreement:

(a) to indemnify for amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received such amounts under any insurance policy, contract, agreement or otherwise; provided that the foregoing shall not apply to any personal or umbrella liability insurance maintained by Indemnitee;

(b) to indemnify for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act or similar provisions of state statutory law or common law, or from the purchase or sale by Indemnitee of such securities in violation of Section 306 of the Sarbanes-Oxley Act of 2002 ("**SOX**");

(c) to indemnify for any reimbursement of, or repayment to, the Company by Indemnitee of (i) any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company pursuant to the terms of (A) Section 304 of SOX, (B) Exchange Act Rule 10D-1 or (C) any formal policy of the Company adopted by the Board (or a committee thereof) or (ii) any other remuneration paid to Indemnitee if it shall be determined by a final judgment or other final adjudication that payment of such remuneration was or would have been in violation of law;

(d) to indemnify with respect to any Proceeding, or part thereof, brought by Indemnitee against the Company, any legal entity which it controls, any director or officer thereof or any third party, unless (i) the Board has consented to the initiation of such Proceeding or part thereof and (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law; provided, however, that this Section 7(d) shall not apply to (A) counterclaims or affirmative defenses asserted by Indemnitee in an action brought against Indemnitee or (B) any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company in the suit for which indemnification or advancement is being sought as described in Section 12; or

(e) to provide any indemnification or advancement of expenses that is prohibited by applicable law (as such law exists at the time payment would otherwise be required pursuant to this Agreement).

Section 8. Advancement of Expenses. Subject to Section 9(b), the Company shall advance the Expenses incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances (including any invoices received by Indemnitee, which such invoices may be redacted as necessary to avoid the waiver of any privilege accorded by applicable law) from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's (i) ability to repay the expenses, (ii) ultimate entitlement to indemnification under the other provisions of this Agreement and (iii) entitlement to and availability of insurance coverage, including advancement, payment or reimbursement of defense costs, expenses or covered loss under the provisions of any applicable insurance policy (including, without limitation, whether such advancement, payment or reimbursement is withheld, conditioned or delayed by the insurer(s)). Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement which shall constitute an undertaking providing that Indemnitee undertakes to the fullest extent required by law to repay the advance if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Indemnitee is not entitled to be indemnified by the Company. No other form of undertaking shall be required. The right to advances under this paragraph shall in all events continue until final disposition of any Proceeding, including any appeal therein. Nothing in this Section 8 shall limit Indemnitee's right to advancement pursuant to Section 12(e) of this Agreement.

Section 9. Procedure for Notification and Defense of Claim.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request therefor specifying the basis for the claim, the amounts for which Indemnitee is seeking payment under this Agreement and all documentation related thereto as reasonably requested by the Company.

(b) In the event that the Company shall be obligated hereunder to provide indemnification for or make any advancement of Expenses with respect to any Proceeding, the Company shall be entitled to assume the defense of such Proceeding, or any claim, issue or matter therein, with counsel approved by Indemnitee (which approval shall not be unreasonably withheld or delayed) upon the delivery to Indemnitee of written notice of the Company's election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees or expenses of separate counsel subsequently employed by or on behalf of Indemnitee with respect to the same Proceeding; provided that (i) Indemnitee shall have the right to employ separate counsel in any such Proceeding at Indemnitee's expense and (ii) if (A) the employment of separate counsel by Indemnitee has been previously authorized by the Company, (B) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of such defense, (C) the Company shall not continue to retain such counsel to defend such Proceeding or (D) a Change in Control shall have occurred, then the fees and expenses actually and reasonably incurred by Indemnitee with respect to his or her separate counsel shall be Expenses hereunder.

(c) In the event that the Company does not assume the defense in a Proceeding pursuant to paragraph (b) above, then the Company will be entitled to participate in the Proceeding at its own expense.

(d) The Company shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected without its prior written consent (which consent shall not be unreasonably withheld or delayed). Without limiting the generality of the foregoing, the fact that an insurer under an applicable insurance policy delays or is unwilling to consent to such settlement or is or may be in breach of its obligations under such policy, or the fact that directors' and officers' liability insurance is otherwise unavailable or not maintained by the Company, may not be taken into account by the Company in determining whether to provide its consent. The Company shall not, without the prior written consent of Indemnitee (which consent shall not be unreasonably withheld or delayed), enter into any settlement which (i) includes an admission of fault of Indemnitee, any non-monetary remedy imposed on Indemnitee or any monetary damages for which Indemnitee is not wholly and actually indemnified hereunder or (ii) with respect to any Proceeding with respect to which Indemnitee may be or is made a party or may be otherwise entitled to seek indemnification hereunder, does not include the full release of Indemnitee from all liability in respect of such Proceeding.

Section 10. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to Section 9(a), a determination, if such determination is required by applicable law, with respect to Indemnitee's entitlement to indemnification hereunder shall be made in the specific case by one of the following methods: (x) if a Change in Control shall have occurred and indemnification is being requested by Indemnitee hereunder in his or her capacity as a director of the Company, by Independent Counsel in a written opinion to the Board; or (y) in any other case, (i) by a majority vote of the disinterested directors, even though less than a quorum; (ii) by a committee of disinterested directors designated by a majority vote of the disinterested directors, even though less than a quorum; or (iii) if there are no disinterested directors or if the disinterested directors so direct, by Independent Counsel in a written opinion to the Board. For purposes hereof, disinterested directors are those members of the Board who are not parties to the action, suit or proceeding in respect of which indemnification is sought. In the case that such determination is made by Independent Counsel, a copy of Independent Counsel's written opinion shall be delivered to Indemnitee and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within thirty (30) days after such determination. Indemnitee shall cooperate with the Independent Counsel or the Company, as applicable, in making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such counsel or the Company, upon reasonable advance request, any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. The Company shall likewise cooperate with Indemnitee and Independent Counsel, if applicable, in making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such counsel and Indemnitee, upon reasonable advance request, any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to the Company and reasonably necessary to such determination. Any out-of-pocket costs or expenses (including reasonable attorneys' fees and disbursements) actually and reasonably incurred by Indemnitee in so cooperating with the Independent Counsel or the Company shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(b) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 10(a), the Independent Counsel shall be selected by the Board[; provided that, if a Change in Control shall have occurred and indemnification is being requested by Indemnitee hereunder in his or her capacity as a director of the Company, the Independent Counsel shall be selected by Indemnitee]. Indemnitee [or the Company, as the case may be,] may, within ten (10) days after written notice of such selection, deliver to the Company [or Indemnitee, as the case may be,] a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the Person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or the Delaware Court has determined that such objection is without merit. If, within twenty (20) days after the later of (i) submission by Indemnitee of a written request for indemnification pursuant to Section 9(a) and (ii) the final disposition of the Proceeding, including any appeal therein, no Independent Counsel shall have been selected without objection, either Indemnitee or the Company may petition the Delaware Court for resolution of any objection which shall have been made by Indemnitee or the Company to the selection of Independent Counsel and/or for the appointment as Independent Counsel of a Person selected by the court or by such other Person as the court shall designate. The Person with respect to whom all objections are so resolved or the Person so appointed shall act as Independent Counsel under Section 10(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 12(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(c) Notwithstanding anything to the contrary contained in this Agreement, the determination of entitlement to indemnification under this Agreement shall be made without regard to the Indemnitee's entitlement to and availability of insurance coverage, including advancement, payment or reimbursement of defense costs, expenses or covered loss under the provisions of any applicable insurance policy (including, without limitation, whether such advancement, payment or reimbursement is withheld, conditioned or delayed by the insurer(s)).

Section 11. Presumptions and Effect of Certain Proceedings.

(a) To the extent permitted by applicable law, in making a determination with respect to entitlement to indemnification hereunder, it shall be presumed that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 9(a) of this Agreement, and the Company shall have the burden of proof and the burden of persuasion by clear and convincing evidence to overcome that presumption in connection with the making of any determination contrary to that presumption.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of guilty, nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(c) Indemnitee shall be deemed to have acted in good faith if Indemnitee's actions were based on the records or books of account of the Company or any other Enterprise, including financial statements, or on information supplied to Indemnitee by the directors, officers, agents or employees of the Company or any other Enterprise in the course of their duties, or on the advice of legal counsel for the Company or any other Enterprise or on information or records given or reports made to the Company or any other Enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Company or any other Enterprise. The provisions of this Section 11(c) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement. In addition, the knowledge and/or actions, or failure to act, of any director, manager, partner, officer, employee, agent or trustee of the Company, any subsidiary of the Company, or any Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement. Whether or not the foregoing provisions of this Section 11(c) are satisfied, it shall in any event be presumed that Indemnitee has at all times acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

Section 12. Remedies of Indemnitee.

(a) Subject to Section 12(f), in the event that (i) a determination is made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 8 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10(a) of this Agreement within sixty (60) days after receipt by the Company of the request for indemnification for which a determination is to be made other than by Independent Counsel, (iv) payment of indemnification or reimbursement of expenses is not made pursuant to Section 5 or 6 or the last sentence of Section 10(a) of this Agreement within thirty (30) days after receipt by the Company of a written request therefor (including any invoices received by Indemnitee, which such invoices may be redacted as necessary to avoid the waiver of any privilege accorded by applicable law) or (v) payment of indemnification pursuant to Section 3 or 4 of this Agreement is not made within thirty (30) days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication by the Delaware Court of his or her entitlement to such indemnification or advancement. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 12(a); provided, however, that the foregoing time limitation shall not apply in respect of a proceeding brought by Indemnitee to enforce his or her rights under Section 5 of this Agreement. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 12 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 12, the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement, as the case may be.

(c) If a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 12, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

(e) The Company shall indemnify Indemnitee to the fullest extent permitted by law against any and all Enforcement Expenses and, if requested by Indemnitee, shall (within thirty (30) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such Enforcement Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company in the suit for which indemnification or advancement is being sought. Such written request for advancement shall include invoices received by Indemnitee in connection with such Enforcement Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Indemnitee to waive any privilege accorded by applicable law need not be included with the invoice.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding, including any appeal therein.

Section 13. Non-exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Charter, the Bylaws, any agreement, a vote of stockholders or a resolution of directors or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement than would be afforded currently under the Charter, Bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, managers, partners, officers, employees, agents or trustees of the Company or of any other Enterprise, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, manager, partner, officer, employee, agent or trustee under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such claim to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies. Upon request of Indemnitee, the Company shall also promptly provide to Indemnitee: (i) copies of all of the Company's potentially applicable directors' and officers' liability insurance policies, (ii) copies of such notices delivered to the applicable insurers and (iii) copies of all subsequent communications and correspondence between the Company and such insurers regarding the Proceeding.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company's obligation to provide indemnification or advancement hereunder to Indemnitee who is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement from such other Enterprise.

Section 14. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve as [both a director and] an officer of the Company or (b) one (1) year after the final termination of any Proceeding, including any appeal, then pending in respect of which Indemnitee is granted rights of indemnification or advancement hereunder and of any proceeding commenced by Indemnitee pursuant to Section 12 of this Agreement relating thereto. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and his or her heirs, executors and administrators. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

Section 15. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 16. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to [continue to] serve as [a director and] an officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as [a director and] an officer of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Charter, the Bylaws and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

Section 17. Modification and Waiver. No supplement, modification or amendment, or waiver of any provision, of this Agreement shall be binding unless executed in writing by the parties thereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver. No supplement, modification or amendment of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee prior to such supplement, modification or amendment.

Section 18. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification, reimbursement or advancement as provided hereunder. The failure of Indemnitee to so notify the Company or any delay in notification shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise, unless, and then only to the extent that, the Company did not otherwise learn of the Proceeding and such delay is materially prejudicial to the Company's ability to defend such Proceeding or matter; and, provided, further, that notice will be deemed to have been given without any action on the part of Indemnitee in the event the Company is a party to the same Proceeding.

Section 19. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (iii) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (iv) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

(a) If to Indemnitee, at such address as Indemnitee shall provide to the Company.

(b) If to the Company to:

City Therapeutics, Inc.
399 Binney Street
Cambridge, MA 02142
Attention: Chief Legal Officer

or to any other address as may have been furnished to Indemnitee by the Company.

Section 20. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any Proceeding in such proportion as is deemed fair and reasonable in light of all of the circumstances in order to reflect (i) the relative benefits received by the Company and Indemnitee in connection with the event(s) and/or transaction(s) giving rise to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transactions.

Section 21. Internal Revenue Code Section 409A. The Company intends for this Agreement to comply with the Indemnification exception under Section 1.409A-1(b)(10) of the regulations promulgated under the Internal Revenue Code of 1986, as amended (the "**Code**"), which provides that indemnification of, or the purchase of an insurance policy providing for payments of, all or part of the expenses incurred or damages paid or payable by Indemnitee with respect to a bona fide claim against Indemnitee or the Company do not provide for a deferral of compensation, subject to Section 409A of the Code, where such claim is based on actions or failures to act by Indemnitee in his or her capacity as a service provider of the Company. The parties intend that this Agreement be interpreted and construed with such intent.

Section 22. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 12(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court, and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) consent to service of process at the address set forth in Section 19 of this Agreement with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 23. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

Section 24. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 25. Monetary Damages Insufficient/Specific Enforcement. The Company and Indemnitee agree that a monetary remedy for breach of this Agreement may be inadequate, impracticable and difficult of proof, and further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the parties hereto agree that Indemnitee may enforce this Agreement by seeking injunctive relief and/or specific performance hereof, without any necessity of showing actual damage or irreparable harm (having agreed that actual and irreparable harm will result in not forcing the Company to specifically perform its obligations pursuant to this Agreement) and that by seeking injunctive relief and/or specific performance, Indemnitee shall not be precluded from seeking or obtaining any other relief to which he may be entitled. The Company and Indemnitee further agree that Indemnitee shall be entitled to such specific performance and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bonds or other undertakings in connection therewith. The Company acknowledges that in the absence of a waiver, a bond or undertaking may be required of Indemnitee by the Court, and the Company hereby waives any such requirement of a bond or undertaking.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

CITY THERAPEUTICS, INC.

By: _____
Name:
Title:

_____
[Name of Indemnitee]

Exhibit 10.10

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.

Research Collaboration and License Agreement

By And Between

Biogen MA Inc.

and

City Therapeutics, Inc.

Dated May 23, 2025

TABLE OF CONTENTS

		Page
ARTICLE 1	DEFINITIONS	1
ARTICLE 2	LICENSE GRANTS	22
2.1	License Grants	22
2.2	Sublicenses and Subcontracting	23
2.3	Responsibility for Sublicensees and Affiliates	24
2.4	No Implied Licenses	24
2.5	Upstream Agreements	25
2.6	Related Third Party Rights	25
2.7	Exclusivity	26
2.8	Option for Additional Target	26
ARTICLE 3	RESEARCH COLLABORATION	27
3.1	Overview	27
3.2	Research Plan	27
3.3	Research Activities	28
3.4	Reports of Research Activities	29
3.5	Data Packages and Candidate Selection	29
3.6	Costs of Research Activities	31
3.7	Performance of City Research Activities	31
3.8	Records	31
ARTICLE 4	GOVERNANCE	32
4.1	Alliance Management	32
4.2	Joint Research Committee	32
4.3	Other Committees	35
4.4	Disbandment of the JRC and Other Committees	35
ARTICLE 5	DEVELOPMENT, MANUFACTURING, REGULATORY MATTERS, AND COMMERCIALIZATION	35
5.1	Technology Transfers	35
5.2	Development and Medical Affairs	37
5.3	Manufacturing	37
5.4	Regulatory Activities	37
5.5	Commercialization	38
5.6	Diligence Obligations	38

5.7	Additional City Support	38
5.8	Reports	39
5.9	Allocation of Costs	39
ARTICLE 6	FINANCIAL TERMS	39
6.1	Upfront Payments	39
6.2	Milestone Payments	39
6.3	Royalties on Royalty-Bearing Products	40
6.4	Other Amounts Payable	42
6.5	Payment Method	42
6.6	Currency Exchange	42
6.7	Late Payments	42
6.8	Right to Offset	42
6.9	Taxes	42
6.10	Financial Audits	45
ARTICLE 7	REPRESENTATIONS, WARRANTIES, AND COVENANTS	45
7.1	Mutual Representations and Warranties of the Parties	45
7.2	Additional Representations and Warranties of City	46
7.3	Updated Disclosure Schedules	50
7.4	Covenants of Each Party	51
7.5	Covenants of City	51
7.6	OSIF Matters	52
7.7	Disclaimer of Warranties	52
ARTICLE 8	CONFIDENTIALITY	52
8.1	Non-Disclosure and Non-Use Obligation	52
8.2	Exemptions	53
8.3	Permitted Disclosures	53
8.4	Redacted Agreement	55
8.5	Confidential Treatment	56
8.6	Equitable Relief	56
8.7	Use of Name and Logo	56
8.8	Residual Knowledge	56
8.9	Publications	56
ARTICLE 9	INTELLECTUAL PROPERTY	57
9.1	Ownership	57
9.2	Patent Prosecution and Maintenance	59
9.3	Patent Enforcement	62
9.4	Infringement of Third Party Rights	63
9.5	Patent Oppositions and Other Proceedings	64
9.6	Patent Listing	65
9.7	Patent Term Extensions	65

9.8	Common Interest Agreement	65
9.9	Trademarks	65
9.10	Patent Counsel	65
ARTICLE 10	INDEMNIFICATION	65
10.1	Indemnification by City	65
10.2	Indemnification by Biogen	66
10.3	Procedure	66
10.4	Limitation Of Liability	67
10.5	Insurance	67
ARTICLE 11	TERM AND TERMINATION	67
11.1	Term	67
11.2	Termination for Failure to Make Selection	68
11.3	Termination for Cause	68
11.4	Termination by Biogen for Insolvency of City	69
11.5	Rights in Bankruptcy	69
11.6	Termination for Convenience by Biogen	71
11.7	Effects of Termination	71
11.8	Alternative Remedy in Lieu of Termination	72
11.9	Rights Accruing Prior to Expiration or Termination	73
11.10	Survival	73
11.11	Injunction for Particular Breach	74
11.12	[***]	74
ARTICLE 12	MISCELLANEOUS	75
12.1	Assignment	75
12.2	Entire Agreement; Amendments	75
12.3	Force Majeure	75
12.4	Export Control	76
12.5	Waiver and Non-Exclusion of Remedies	76
12.6	Severability	76
12.7	Notices	76
12.8	Governing Law	77
12.9	Dispute Resolution	77
12.10	Relationship of the Parties	79
12.11	Performance by Affiliates	79
12.12	Third Party Beneficiaries	79
12.13	Interpretation	79
12.14	Further Assurances	80
12.15	Counterparts	80

Exhibits:

Exhibit 1.20	Biogen Specified OSIF License Issues
Exhibit 1.193	Initial Research Plan
Exhibit 11.8	Alternative Remedy Exceptions

Schedules:

Schedule 1.88	Existing Licensed Patent Rights
Schedule 1.220	Target
Schedule 1.232	Upstream Agreements
Schedule 4.1.1	Contact List
Schedule 7.12	Initial Disclsure Schedule

RESEARCH COLLABORATION AND LICENSE AGREEMENT

This Research Collaboration And License Agreement (this "**Agreement**") is entered into as of May 23, 2025 (the "**Effective Date**") by and among **Biogen MA Inc.**, a corporation organized under the laws of the Commonwealth of Massachusetts having an office at 225 Binney Street, Cambridge, MA 02142 ("**Biogen**"), and **City Therapeutics, Inc.**, a corporation organized and existing under the laws of the State of Delaware having an office at 399 Binney Street, Cambridge, MA 02142 ("**City**"). Biogen and City are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, Biogen is engaged in, among other things, Research, Development, Manufacturing, and Commercialization of biopharmaceutical products, with certain expertise and proprietary platform technology;

WHEREAS, City is a biotechnology company engaged in the Research and Development of novel RNAi therapeutics, with certain expertise and proprietary platform technology;

WHEREAS, the Parties are interested in entering into a collaboration to utilize Biogen's and City's expertise and the Licensed Technology to perform collaborative Research and other activities, including the Research Activities, with the goal of Researching and Developing RNAi Triggers (as defined below) that inhibit the expression of [***] and Conjugates (as defined below) of such RNAi Triggers, each in accordance with the terms and conditions set forth in this Agreement; and

WHEREAS, City desires to grant to Biogen, and Biogen desires to receive from City, an exclusive, worldwide license under the Licensed Technology to exploit Licensed Compounds and Licensed Products in the Field in the Territory, in accordance with the terms and conditions set forth in this Agreement.

NOW, **THEREFORE**, for and in consideration of the mutual covenants contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

As and when used in this Agreement (including in the recitals above), the following capitalized terms will have the meanings ascribed to them in this Article 1 (Definitions).

1.1 "**Acquirer**" means, with respect to a Party, any Third Party that is a counterparty in any Change of Control of such Party.

1.2 "**Acquirer Technology**" means, [***].

1.3 "**Acquisition Party**" means, with respect to a Party that undergoes a Change of Control, an Acquirer together with all of its Affiliates in existence immediately prior to the closing of such Change of Control or that become Affiliates of such Acquirer after the closing of such Change of Control (but, in each case, excluding such Party and its Pre-Existing Affiliates).

1.4 "**Acquisition Transaction**" has the meaning set forth in Section 2.7.3 (Acquisition of a Competitive Product by a Party).

1.5 "**Additional Cure Period**" has the meaning set forth in Section 11.3.4 (Disputes Regarding Material Breach).

1.6 "**Additional Target Agreement**" has the meaning set forth in Section 2.8.3.

1.7 "**Additional Upfront Payment**" has the meaning set forth in Section 6.1.2 (Additional Upfront Payment).

1.8 "**Affiliate**" of a Person means any other Person that (directly or indirectly) is controlled by, controls, or is under common control with such Person, but only for so long as such control exists. For the purposes of this definition, the term "is controlled by" (including, with correlative meanings, the terms "controls" and "under common control with"), as used with respect to a Person, will mean the possession by the applicable other Person, directly or indirectly, of the power to direct, or cause the direction of, the management or policies of such Person, whether through the ownership of voting securities, by contract or otherwise, and "control" will be presumed to exist if either of the following conditions is met: (a) in the case of a corporate entity, direct or indirect ownership by such other Person of voting securities entitled to cast more than 50% of the votes in the election of the directors of such corporation or (b) in the case of a non-corporate entity, direct or indirect ownership of more than 50% of the equity interests with the power to direct the management and policies of such entity. [***].

1.9 "**Aggregate Annual Net Sales**" means the aggregate Net Sales resulting from the sale of all the Royalty-Bearing Products in all the countries in the Territory during each Calendar Year. For the avoidance of doubt, "Aggregate Annual Net Sales" will exclude any Net Sales of a Royalty-Bearing Product in a country prior to the commencement of the Royalty Term for such Royalty-Bearing Product in such country or following expiration of the Royalty Term for such Royalty-Bearing Product in such country.

1.10 "**Agreement**" has the meaning set forth in the preamble.

1.11 "**Agreement Patent Right**" means any Patent Right owned or otherwise Controlled by either Party or its Affiliates (or both Parties or their respective Affiliates) that claims or Covers any Invention (including any Joint Patent Right, Biogen [***] Patent Right or City Core Technology Patent Right).

1.12 "**Alliance Manager**" means, with respect to each Party, the individual appointed by such Party from time to time to act as the alliance manager under this Agreement, which individual shall meet the requirements set forth in Section 4.1 (Alliance Management).

1.13 "**Applicable Development Candidate Data Package Date**" has the meaning set forth in Section 6.2.1 (Research Milestones).

1.14 "**Applicable Law**" means applicable (with respect to the particular activity, task, or obligation under this Agreement to which such term applies) laws, statutes, rules, regulations, and other pronouncements having the effect of law of any Governmental Authority that may be in effect from time to time, including for clarity any applicable rules, regulations, guidances and other requirements of any Regulatory Authority that may be in effect from time to time.

1.15 "**Approved Labeling**" means, with respect to a Licensed Product, the Regulatory Authority-approved full prescribing information for such Licensed Product.

1.16 "**Assistance Term**" means the period beginning upon the Development Candidate Selection Date and ending upon [***].

1.17 "**Available Target**" means [***].

1.18 "**Bayh Dole Act**" means the Patent and Trademark Law Amendments Act of 1980, codified at 35 U.S.C. §§ 200-212, as well as any regulations promulgated pursuant thereto, including in 37 C.F.R. Part 401.

1.19 "**Biogen**" has the meaning set forth in the preamble.

1.20 "**Biogen Acceptable OSIF Agreement**" means an amendment to the OSIF License or other written agreement between City and OSIF, in either case, [***] that is approved in writing by Biogen prior to execution thereof by City and OSIF.

1.21 "**Biogen Acceptable OSIF Agreement Effective Date**" has the meaning set forth in Section 6.1.2 (Additional Upfront Payment).

1.22 "**Biogen [***] Patent Rights**" means any and all Patent Rights that (a) claim any [***] Invention, and (b) do not claim any City Core Technology Invention.

1.23 "**Biogen Indemnified Party**" means Biogen, its Affiliates, Sublicensees and Subcontractors, and each of its and their respective employees, officers, directors, and agents.

1.24 "**Biogen Records**" has the meaning set forth in Section 6.10.1 (Record Retention; Audits).

1.25 "**Biogen Research Activities**" has the meaning set forth in the definition of "Research Activities".

1.26 "**Biogen Research Know-How**" has the meaning set forth in the definition of "Biogen Research Technology".

1.27 "**Biogen Research Technology**" means all Know-How and Patent Rights, in each case, that are (a) Controlled by Biogen as of the Effective Date or thereafter at any time prior to the end of the Research Term and (b) necessary for City to conduct the City Research Activities in accordance with the Research Plan. The Know-How within the Biogen Research Technology is referred to herein as the "**Biogen Research Know-How**".

1.28 [***]

1.29 "**Biosimilar Product**" means, on a country-by-country basis, with respect to a Licensed Product, a product that is sold by a Third Party (other than a Sublicensee of Biogen or any of its Affiliates) (a) that has been licensed as a biosimilar or interchangeable biological product by the FDA pursuant to section 351(k) of the PHSA, or any subsequent or superseding law, statute, or regulation, and for which a Licensed Product is the reference product, as defined by section 351(i)(4) of the PHSA, (b) that has been granted a marketing authorization as a similar biological medicinal product by the European Union pursuant to Directive 2001/83/EC and Parliament and Council Regulation No. (EC) 726/2004, each as may be amended, or any subsequent or superseding law, statute or regulation, and for which such Licensed Product is the reference medicinal product as defined by Article 10(2)(A) of Directive 2001/83/EC, or (c) whose licensing, approval or marketing authorization from a Regulatory Authority relies on, in whole or in part, (i) a prior Regulatory Approval granted for such Licensed Product by such Regulatory Authority or (ii) any data generated in support of a prior Regulatory Approval granted for such Licensed Product by such Regulatory Authority.

1.30 "**BLA**" means a Biologics License Application, as defined in the FD&C Act, or any corresponding foreign application in the Territory, including, with respect to the European Union, a MAA filed with the EMA pursuant to the centralized approval procedure or with the applicable Regulatory Authority of a country in Europe with respect to the mutual recognition or any other national approval procedure.

1.31 [***] means [***] and (b) is (i) provided by Biogen to City for purposes of the Research Program or (ii) generated in the performance of the Research Program.

1.32 "**[***] Invention**" means any and all Inventions that (a) [***] or (b) (i) relate to the [***] and (ii) do not specifically relate to [***]

1.33 "**Breach Notice**" has the meaning set forth in Section 11.3.3 (Cure Periods for Material Breaches).

1.34 "**Business Day**" means any day other than a Saturday, Sunday, or bank or other public holiday in Boston, Massachusetts.

1.35 "**Calendar Quarter**" means the respective period of three consecutive calendar months ending on March 31st, June 30th, September 30th, or December 31st in any Calendar Year, except that the first Calendar Quarter of the Term will commence on the Effective Date, and the last Calendar Quarter of the Term will end on the effective date of the termination or expiration of this Agreement.

1.36 "**Calendar Year**" means any calendar year beginning on January 1st and ending on December 31st, except that the first Calendar Year of the Term will commence on the Effective Date, and the last Calendar Year of the Term will end on the effective date of the termination or expiration of this Agreement.

1.37 "**Change of Control**" means, with respect to a Party, the occurrence of any of the following events: (a) the consummation of a transaction or series of related transactions in which a Third Party, directly or indirectly, acquires from the stockholders of such Party an aggregate number of outstanding shares of capital stock representing more than 50% of the outstanding voting securities of such Party or otherwise obtains control of such Party, as "control" is defined in Section 1.8; (b) a merger, consolidation, or other similar transaction of such Party with or into a Third Party other than any such transaction in which the holders of the outstanding voting securities of such Party immediately prior to the consummation of such merger or consolidation continue to own a majority of the outstanding voting securities of the surviving entity (or its parent entity) immediately following such merger or consolidation; or (c) the sale, transfer, or other disposition to a Third Party of all or substantially all of such Party's assets or business to which this Agreement relates (including, in the case of City, the Licensed Technology, the City Core Technology Patent Rights, and the City Core Technology Inventions), through one or a series of related transactions (whether via merger, sale of assets, or otherwise). Notwithstanding the foregoing, any transaction or series of transactions effected for the bona fide primary purpose of financing the operations of the applicable Party or changing the form or jurisdiction of organization of such Party will not be deemed a "Change of Control" for purposes of this Agreement.

1.38 "**City**" has the meaning set forth in the preamble.

1.39 "**City Core Technology Invention**" means any and all Inventions that (a) relate to [***] and (b) do not specifically relate to [***]

1.40 "**City Core Technology Patent Rights**" means any and all Patent Rights that (a) claim any City Core Technology Invention and (b) do not claim [***].

1.41 "**City Indemnified Party**" means City, its Affiliates, and each of its and their respective employees, officers, directors, and agents.

1.42 "**City's Knowledge**" means, with respect to the applicable statement in this Agreement to which such term applies, that none of the following officers (or their successors, as applicable) of City are aware, after reasonable investigation (including consultation with City's outside intellectual property counsel, but without any requirement to conduct additional freedom-to-operate searches to the extent not already conducted on behalf of City by such counsel), that such statement is untrue: [***].

1.43 "**City Research Activities**" has the meaning set forth in the definition of "Research Activities".

1.44 "**City Research Know-How**" has the meaning set forth in the definition of "City Research Technology".

1.45 "**City Research Patent Rights**" has the meaning set forth in the definition of "City Research Technology".

1.46 "**City Research Report**" has the meaning set forth in Section 3.4.1 (Reports of Research Activities).

1.47 "**City Research Technology**" means all Know-How and Patent Rights, in each case, that are (a) Controlled by City as of the Effective Date or thereafter at any time prior to the end of the Research Term and (b) necessary for Biogen to conduct the Biogen Research Activities in accordance with the Research Plan. The Know-How within the City Research Technology is referred to herein as the "**City Research Know-How**" and the Patent Rights within the City Research Technology are referred to herein as the "**City Research Patent Rights**".

1.48 [***]

1.49 [***]

1.50 "**Clinical Trial**" means any clinical trial in humans that is designed to generate data in support or maintenance of an IND or MAA, including any Phase I Clinical Trial, Phase II Clinical Trial, Phase III Clinical Trial, pivotal trial, or any applicable post-approval clinical trial in humans.

1.51 "**CMC**" means chemistry, manufacturing and controls with respect to a product, which includes (a) manufacturing and process development records for such product and (b) all chemistry, manufacturing and control procedures necessary or useful for the manufacture of such product.

1.52 "**CMC Activities**" means those formulation development, process development, and other CMC-related activities, including sourcing and testing of all raw materials and components used in the manufacture of a product, and activities designed to support preparation of the CMC sections of any Regulatory Submissions or Regulatory Approval.

1.53 "**CMO**" has the meaning set forth in Section 5.1.2 (Manufacturing Technology Transfer Obligations).

1.54 "**Collaboration Know-How**" means: (a) all Know-How that is generated in performance of the Research Program (including as set forth in any City Research Reports, RNAi Trigger Data Packages and Development Candidate Data Packages) and is specific to the Target or any Program RNAi Trigger, Program Conjugate, Development Candidate, Licensed Compound, Licensed Product, [***]; and (b) all data that is generated in performance of the Research Program through the use of any Program RNAi Trigger, Program Conjugate, Development Candidate, Licensed Compound, Licensed Product, [***]

1.55 "**Combination Product**" means a Licensed Product that is (a) sold in the form of a combination that contains or comprises a Licensed Compound together with one or more other therapeutically active pharmaceutical agents [***].

1.56 "**Commercialization**," "**Commercializing**," or "**Commercialize**" means, with respect to any product, any and all activities directed to marketing, advertising, promoting, distributing, importing, exporting, using, offering to sell, and selling or otherwise commercializing such product, including: pre-launch activities to prepare a market for potential sales; modeling and pharmaco-economic studies; epidemiological studies; government affairs, and public policy activities; patient services, patient advocacy engagement; and activities related to pricing and reimbursement, including seeking and maintaining any applicable Pricing and Reimbursement Approvals; but excluding, in each case, any activities directed to Research, Manufacturing, Development, or Medical Affairs. "**Commercialized**" will be construed accordingly.

1.57 "**Commercially Reasonable Efforts**" means: (a) with respect to the activities of a Party in connection with [***], that level of efforts and resources that is required to carry out a task in a reasonably diligent and sustained manner without undue interruption, pause or delay; and (b) with respect to the efforts to be expended by Biogen or its Affiliate with respect to any Development or Commercialization obligation, objective, activity, or goal related to a Licensed Compound or Licensed Product under this Agreement, those efforts that Biogen would normally use to accomplish such obligation, objective, activity, or goal, and specifically means the carrying out of Development and Commercialization activities using efforts that Biogen would normally devote to a product at a similar stage in its development or product life and of similar market potential, strategic importance, and profit potential (taking into account payments under this Agreement and any agreements entered into or payments owed pursuant to Section 2.6 (Related Third Party Rights) or Section 6.3.4(c) (Third Party Payments)), based on conditions then prevailing and taking into account Biogen's other products; the efficacy, safety, Approved Labeling, and profitability of the product; the competitiveness of alternative products sold by Third Parties in the marketplace; the patent and other proprietary position of the product; the likelihood of Regulatory Approval given the regulatory structure involved; and all other relevant factors. Commercially Reasonable Efforts will be determined on a country-by-country and Indication-by-Indication basis for the applicable Licensed Compound or Licensed Product, and it is anticipated that the level of effort will change over time, reflecting changes in the status of such Licensed Compound or Licensed Product (as applicable) and the market or country involved. City expressly understands and accepts that the use of Commercially Reasonable Efforts may result in Biogen ceasing the Development or Commercialization of a particular Licensed Compound or Licensed Product (in whole or in part), and that once Development or Commercialization for a particular Licensed Compound or Licensed Product has ceased in compliance with this Agreement, Commercially Reasonable Efforts does not require the continued re-evaluation of whether Development or Commercialization must be re-initiated for such Licensed Compound or Licensed Product.

1.58 "**Competitive Product**" means (a) [***].

1.59 "**Confidential Information**" means, with respect to a particular Party (the "**Disclosing Party**"), all Know-How or other information, including proprietary information and materials (whether or not patentable) regarding or embodying such Party's technology, products, business information or objectives, that is communicated by or on behalf of the Disclosing Party to the other Party (the "**Receiving Party**") or its permitted recipients in connection with this Agreement, including information disclosed prior to the Effective Date pursuant to the Confidentiality Agreement. Notwithstanding the foregoing: (a) the terms and conditions of this Agreement and the Joint Know-How will be considered Confidential Information of both Parties, with each Party deemed to be the Receiving Party with respect thereto; (b) the City Core Technology Inventions other than the Program RNAi Triggers will be considered Confidential Information of City, with Biogen deemed to be the Receiving Party with respect thereto; and (c) the Collaboration Know-How, the [***] Inventions, and the Program RNAi Triggers will be considered Confidential Information of Biogen, with City deemed to be the Receiving Party with respect thereto, *provided* that, as of the effective date of termination (but not expiration) of this Agreement, the Program RNAi Triggers (including any Collaboration Know-How that is specific to the Program RNAi Triggers and not specifically related to any Program Conjugate or [***] will be considered Confidential Information of City, with Biogen deemed to be the Receiving Party with respect thereto ((a) through (c)), collectively, the "**Specified Confidential Information**").

1.60 "**Confidentiality Agreement**" means that certain Confidentiality Agreement dated August 28, 2024, by and between Biogen and City.

1.61 "**Conjugate**" means an RNAi Trigger covalently connected through a Linker to [***]

1.62 "**Control**" or "**Controlled**" means, with respect to a Party and any Know-How, Patent Rights, Regulatory Approvals, Regulatory Submissions or other Intellectual Property, the possession by such Party or any of its Affiliates (whether by ownership, license, or otherwise, other than pursuant to the licenses granted under Section 2.1 (License Grants)) of, (a) with respect to any tangible Know-How, the legal authority or right to physical possession of such tangible Know-How, with the right to provide such tangible Know-How to the other Party on the terms set forth herein, or (b) with respect to Patent Rights, Regulatory Approvals, Regulatory Submissions, intangible Know-How or other Intellectual Property, the legal authority or right to grant a license, sublicense, access, or right to use (as applicable) to the other Party under such Patent Rights, Regulatory Approvals, Regulatory Submissions, intangible Know-How or other Intellectual Property on the terms set forth herein, in each case ((a) and (b)), without breaching or otherwise violating the terms of any arrangement or agreement with a Third Party in existence as of the time such Party would first be required to provide such tangible Know-How to the other Party or grant the other Party such license, sublicense, access, or right to use such Patent Rights, Regulatory Approvals, Regulatory Submissions, intangible Know-How or other Intellectual Property (as applicable) under this Agreement. Notwithstanding the foregoing, for purposes of determining whether any Patent Rights, Know-How, or other Intellectual Property is Controlled by a Party and included in any licenses or rights granted by such Party to the other Party: [***].

1.63 "**Cover**" or "**Covering**" means, with respect to a particular Patent Right, and to the applicable product, technology, process, method, or mode of administration, that the manufacture, use, offer for sale, sale, or importation of such product or the practice of such technology, process, method, or mode of administration would, in the absence of ownership of or a license granted under such Patent Right, (a) infringe any claim of such Patent Right, or (b) in the case of a patent application that has not yet issued, infringe any claim of such patent application if it were to issue without change. The term "**Covered by**" will have the correlative meaning.

1.64 "**Cure Period**" has the meaning set forth in Section 11.3.3 (Cure Periods for Material Breaches).

1.65 "**Data Package Date**" means an RNAi Trigger Data Package Date or a Development Candidate Data Package Date, as applicable.

1.66 "**Debarred**" means, with respect to an individual or entity, that such individual or entity has been debarred or suspended under 21 U.S.C. §335(a) or (b), the subject of a conviction described in Section 306 of the FD&C Act, excluded from a federal or governmental health care program, debarred from federal contracting, convicted of or pled *nolo contendere* to any felony, or to any federal or state legal violation (including misdemeanors) relating to prescription drug products or fraud, the subject to OFAC sanctions or on the OFAC list of specially designated nationals, or the subject of any similar sanction of any Governmental Authority in the Territory.

1.67 "**Defaulting Party**" has the meaning set forth in Section 11.3.3 (Cure Periods for Material Breaches).

1.68 "**Deliverables**" means any and all deliverables to be generated or provided by City in connection with the performance of City Research Activities, as expressly specified in the Research Plan.

1.69 "**Develop**" or "**Development**" means, with respect to any product, any and all development or regulatory activities that relate to obtaining, maintaining or expanding Regulatory Approval of such product, including any and all activities related to the research, profiling, characterization, pre-clinical development, or nonclinical studies of such product, CMC Activities, clinical drug development activities conducted before or after obtaining Regulatory Approval for such product that are reasonably related to or leading to the development, preparation, or submission of data and information to a Regulatory Authority for the purpose of obtaining, supporting, expanding or maintaining Regulatory Approval of such product, together with all activities related to pharmacokinetic profiling, design and conduct of Clinical Trials of such product, pharmacovigilance activities, adverse event reporting, and regulatory affairs, statistical analysis, report writing and the creation and submission of Regulatory Submissions related to the foregoing (including the services of outside advisors and consultants in connection therewith); but excluding, in each case, any activities directed to Medical Affairs, Commercialization or Manufacturing. "**Developing**" and "**Developed**" will be construed accordingly.

1.70 "**Development Candidate**" means a Program Conjugate that has been selected by Biogen pursuant to Section 3.5.4 (Development Candidate Selection) for potential further Exploitation in a Licensed Product.

1.71 "**Development Candidate Bring-Down Date**" has the meaning set forth in Section 7.3.1 (Update as of Development Candidate Bring-Down Date).

1.72 "**Development Candidate Data Package**" has the meaning set forth in Section 3.5.3 (Development Candidate Data Packages).

1.73 "**Development Candidate Data Package Date**" means, with respect to a Program Conjugate, the date that the JRT delivers the Development Candidate Data Package for such Program Conjugate to the JRC in accordance with Section 3.5.3 (Development Candidate Data Packages).

1.74 "**Development Candidate Data Package Disclosure Schedule**" has the meaning set forth in Section 7.3.1 (Update as of Development Candidate Bring-Down Date).

1.75 "**Development Candidate Selection**" has the meaning set forth in Section 3.5.4 (Development Candidate Selection).

1.76 "**Development Candidate Selection Criteria**" means Biogen's selection criteria for the Program Conjugates as defined in the Research Plan.

1.77 "**Development Candidate Selection Date**" has the meaning set forth in Section 3.5.4 (Development Candidate Selection).

1.78 "**Development Candidate Selection Outside Date**" means the earlier of: (a) the date that is [***] after the Effective Date, *provided* that, if, as of such date, there are ongoing Research Activities with respect to any Program Conjugate for purposes of confirming whether such Program Conjugate satisfies the Development Candidate Selection Criteria, then such date will be extended until the date that (i) such Research Activities are completed, (ii) if such Program Conjugate has satisfied the Development Candidate Selection Criteria, the Development Candidate Data Package Date has occurred with respect thereto and (iii) following the completion of the foregoing (i) and (ii), Biogen has had a reasonable period of [***] to determine whether to make a Development Candidate Selection with respect to such Program Conjugate; and (b) the date that is [***] after the Effective Date.

1.79 "**Development Milestone Event**" has the meaning set forth in Section 6.2.2 (Development Milestones).

1.80 "**Development Milestone Payment**" has the meaning set forth in Section 6.2.2 (Development Milestones).

1.81 "**Disclosing Party**" has the meaning set forth in the definition of "Confidential Information".

1.82 "**Divest**" means, with respect to a Competitive Product, the sale by the applicable Party and its Affiliates of all of their rights of Exploitation with respect to such Competitive Product to a Third Party without the retention or reservation of any Exploitation obligation, interest, or participation rights (other than solely an economic interest or the right to enforce customary terms contained in the relevant agreements effectuating such transaction). "**Divestiture**" will be construed accordingly.

1.83 "**Dollar**" means the U.S. dollar, and "$" will be interpreted accordingly.

1.84 "**Effective Date**" has the meaning set forth in the preamble.

1.85 "**European Union**" or "**EU**" means the economic, scientific, and political organization of member states of the European Union, as its membership may be constituted from time to time.

1.86 "**Excluded Matters**" has the meaning set forth in Section 7.2.6.

1.87 "**Executive Officers**" means the Chief Executive Officer of City and the Head of Research of Biogen (or such Person's designee, which designee will be at least at the level of a Vice President).

1.88 "**Existing Licensed Patent Rights**" means all Licensed Patent Rights in existence as of the Effective Date or the Development Candidate Bring-Down Date, as applicable. The Existing Licensed Patent Rights as of the Effective Date are listed on **[***].**

1.89 "**Exploit**" means Research, Develop, make, have made, use, perform Medical Affairs, offer for sale, sell, export, import, Manufacture, Commercialize, or otherwise exploit the applicable compound or product. "**Exploitation**" and "**Exploiting**" will be construed accordingly.

1.90 "**FD&C Act**" means the Federal Food, Drug and Cosmetic Act, as the same may be amended or supplemented from time to time.

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

1.92 "**Field**" means any and all uses. Notwithstanding the foregoing, for purposes of any licenses granted under the OSIF Patents or any OSIF Know-How, "**Field**" means all human therapeutic applications.

1.93 "**First Commercial Sale**" means, on a country-by-country and Licensed Product-by-Licensed Product basis, the first sale of the applicable Licensed Product under this Agreement in the applicable country by Biogen, its Affiliates, or its Sublicensees to an end user or prescriber for use, consumption, or resale, (a) following receipt of Regulatory Approval for such Licensed Product in such country and (b) where such sale results in a recordable Net Sale. Notwithstanding the foregoing, "First Commercial Sale" excludes transfers of Licensed Product to Third Parties as bona fide samples, as donations, for the performance of Clinical Trials, or for similar purposes in accordance with Applicable Law pertaining to any expanded access program, any compassionate sales or use program (including named patient program or single patient program), or any indigent program.

1.94 "**Force Majeure**" means, with respect to a Party, any event beyond the reasonable control of such Party, including acts of God, embargoes, war, acts of war (whether war be declared or not), terrorism, insurrections, riots, civil commotions, strikes, lockouts, or other labor disturbances (other than strikes, lockouts, or labor disturbances involving a Party's own employees), government actions, omissions or delays in action by any Governmental Authority (except to the extent such delay results from the breach by the non-performing Party or any of its Affiliates of any term or condition of this Agreement), fire, earthquakes, floods, epidemics, pandemics, or quarantines.

1.95 "**FTE**" means a full-time-equivalent person year of scientific, technical, regulatory or professional work. An FTE shall consist of a total of [***] hours per Calendar Year, with any portion of an FTE calculated based upon hours worked divided by such annual total.

1.96 "**FTE Rate**" means, with respect to either Party, a rate of USD [***] per FTE for the first Calendar Year during the Term and thereafter increased annually, starting on January 1, 2027, by the percentage increase in the CPI as of December 31st of each Calendar Year over the level of the CPI as of December 31st of the prior Calendar Year.

1.97 "**GAAP**" means United States generally accepted accounting principles, which principles are currently used at the relevant time and consistently applied by the applicable Party.

1.98 "**GLP**" means all applicable good laboratory practice standards, including, as applicable, as set forth in the then-current good laboratory practice standards promulgated or endorsed by the U.S. Food and Drug Administration, as defined in 21 C.F.R. Part 58, and the equivalent Applicable Law in the applicable region in the Territory, each as may be amended and applicable from time to time.

1.99 "**Governmental Authority**" means any court, tribunal, arbitrator, agency, commission, department, ministry, official, authority, or other instrumentality of any nation, state, county, city, or other political subdivision.

1.100 "**IND**" means an Investigational New Drug application required pursuant to 21 C.F.R. Part 312 or any comparable filings outside of the United States required to commence human clinical trials in such country or region, and all supplements or amendments that may be filed with respect to the foregoing.

1.101 "**IND-Enabling Toxicology Study**" means any pharmacokinetic or toxicology study under GLP conditions that is intended to satisfy the requirements for filing an IND in the U.S.

1.102 "**Indemnified Party**" means the Party entitled to, or purported to be entitled to, indemnification by the other Party pursuant to Article 10 (Indemnification).

1.103 "**Indemnifying Party**" means the Party from which indemnification is sought pursuant to Article 10 (Indemnification).

1.104 "**Indication**" means the intended use of a Licensed Product for either therapeutic treatment or for the prevention of a specific disease, disorder, or condition in the indication section of the Approved Labeling for such Licensed Product, or that is the subject of a Clinical Trial and where it is intended that the data and results of such Clinical Trial (if successful) will be used to support a Regulatory Approval with distinct labeling in the indication section of the Approved Labeling relevant to usage of such Licensed Product in such disease, disorder or medical condition. All variants of a single disease, disorder or condition (whether classified by severity or otherwise), regardless of the patient population or line of therapy, will be treated as the same Indication.

1.105 "**Inflation Reduction Act**" means P.L. 117-169 (Aug. 16, 2022), as codified at 42 U.S.C. § 1320f, 42 U.S.C. § 1395w-3a and 42 U.S.C. § 1395w-114a (inter alia), and as it may be amended from time to time, together with any rules, regulations and requirements promulgated thereunder (including all additions, supplements, extensions, and modifications thereto).

1.106 "**Infringement**" has the meaning set forth in Section 9.3.1 (Third Party Infringement).

1.107 "**Infringement Action**" means an infringement, misappropriation, or other appropriate suit or action against any Infringement initiated pursuant to Section 9.3.2 (Infringement Actions).

1.108 "**Initial Disclosure Schedule**" means **[***]** attached hereto.

1.109 "**Initiating Party**" has the meaning set forth in Section 9.3.2(c) (Procedures).

1.110 "**Initiation**" means: (a) with respect to an IND-Enabling Toxicology Study, that the first animal subject has been dosed in such IND-Enabling Toxicology Study; and (b) with respect to any Clinical Trial, that five human subjects have been dosed in such Clinical Trial.

1.111 "**Insolvency Event**" has the meaning set forth in Section 11.4 (Termination by Biogen for Insolvency of City).

1.112 "**Intellectual Property**" means all Patent Rights, copyrights, design rights, trademarks, trade secrets, Know-How, and all other intellectual property rights (whether registered or unregistered) and all applications and rights to apply for any of the foregoing, anywhere in the world.

1.113 "**Invention**" means any invention conceived or first reduced to practice by or on behalf of either Party or its respective Affiliates, or both Parties or their respective Affiliates, in the performance of the Research Program.

1.114 "**IP Embodiments**" has the meaning set forth in Section 11.5.1.

1.115 "**Joint Know-How**" means any and all Inventions or other Know-How that are jointly owned by the Parties pursuant to Section 9.1.2 (Inventions). For the avoidance of doubt, "Joint Know-How" excludes any City Core Technology Inventions and any [***] Inventions.

1.116 "**Joint Patent Rights**" means any and all Patent Rights that claim any Joint Know-How. For the avoidance of doubt, "Joint Patent Rights" excludes any City Core Technology Patent Rights and any [***] Patent Rights.

1.117 "**Joint Technology**" means Joint Know-How and Joint Patent Rights.

1.118 "**JRC**" means the joint research committee established pursuant to Section 4.2.1 (Formation).

1.119 "**JRT**" means the joint research team established pursuant to Section 4.3.2 (Joint Research Team).

1.120 "**Know-How**" means any (a) proprietary information or materials, including records, improvements, modifications, techniques, assays, processes, methods, utilities, formulations, compositions of matter, articles of manufacture, materials (including chemical or biological materials), creation, discovery or finding, designs, protocols, formulas, data (including physical data, chemical data, toxicology data, animal data, raw data, clinical data, and analytical and quality control data), dosage regimens, control assays, product specifications, marketing, pricing and distribution costs, algorithms, technology, forecasts, profiles, strategies, plans, results in any form whatsoever, know-how, and trade secrets (in each case, whether or not patentable, copyrightable, or otherwise protectable), and (b) any physical embodiments of any of the foregoing, but in each case of (a) and (b) excluding any Patent Rights.

1.121 "**Liability**" means, collectively, any and all liabilities, losses, damages, expenses (including reasonable attorneys' fees and expenses), and costs.

1.122 "**Licensed Compound**" means (a) any Program RNAi Trigger or Modified Program RNAi Trigger, or (b) any conjugate of any Program RNAi Trigger or Modified Program RNAi Trigger, including any Program Conjugate.

1.123 "**Licensed Know-How**" means any and all Know-How that is (a) Controlled by City as of the Effective Date or thereafter at any time prior to the end of the Term and (b) (i) necessary or reasonably useful to make, use, sell, offer to sell, import, Research, Develop or otherwise Exploit any Licensed Compound or Licensed Product (including any Program RNAi Trigger, Program Linker or Program Conjugate contained therein) or (ii) actually disclosed to Biogen by City in connection with the Research Program. Notwithstanding the foregoing, the Licensed Know-How includes the City Core Technology Inventions, the City Research Know-How and the OSIF Know-How, but excludes City's interest in any Joint Know-How.

1.124 "**Licensed Patent Rights**" means any and all Patent Rights that are (a) Controlled by City as of the Effective Date or thereafter at any time prior to the end of the Term and (b) necessary to make, use, sell, offer to sell, import or otherwise Exploit any Licensed Compound or Licensed Product (including any Program RNAi Trigger, Program Linker or Program Conjugate contained therein). Notwithstanding the foregoing, the Licensed Patent Rights include the City Core Technology Patent Rights, the City Research Patent Rights and the OSIF Patents, but exclude City's interest in any Joint Patent Rights.

1.125 "**Licensed Product**" means any product containing or comprising one or more Licensed Compounds. For clarity, the term "Licensed Product" includes all dosage forms, formulations, and line extensions thereof, and whether alone or with one or more [***], and all such forms, formulations, and line extensions of one particular Licensed Product shall be deemed as the same Licensed Product.

1.126 "**Licensed Technology**" means collectively, the Licensed Know-How, the Licensed Patent Rights, and City's interest in the Joint Technology.

1.127 "**Linker**" means a molecular moiety designed to serve as a chemical bridge between an RNAi Trigger and another functional moiety.

1.128 "**MAA**" means any new drug application or other similar marketing authorization application, in each case, filed with the applicable Regulatory Authority in a country or other regulatory jurisdiction, which application is required to commercially market or sell a pharmaceutical or biologic product in such country or jurisdiction (and any amendments thereto), including all BLAs or any analogous application or submission with any Regulatory Authority outside of the United States.

1.129 "**Major European Country**" means any of France, Germany, Italy, Spain, or the United Kingdom.

1.130 "**Manufacture**" means, with respect to any product (including active ingredient and other material contained therein), any and all activities related to the manufacture of such product, including qualification, validation and scale-up, pre-clinical, clinical and commercial manufacture, packaging, labeling, filling, finishing, assembly, processing, in-process and finished product testing, release of such product or any component or ingredient thereof, quality assurance, quality control and audit activities related to manufacturing, testing and release of such product, ongoing stability tests, storage, shipping, supply or storage of such product (or any components or process steps involving such product or any companion diagnostic), placebo or comparator agent, as the case may be, product characterization, technical support activities, and regulatory activities related to any of the foregoing, but excluding any activities directed to Commercialization, Research, Development, or Medical Affairs. "**Manufacturing**" and "**Manufactured**" will be construed accordingly.

1.131 "**Materials**" shall mean any tangible chemical or biological material, such as small molecules, DNA, RNA, clones or cells, or animal models, each as set forth in the Research Plan.

1.132 "**Maximum Fair Price**" has the meaning set forth in the Inflation Reduction Act or, if under a similar U.S. state or federal law, a similar price under such U.S. state or federal law.

1.133 "**Medical Affairs**" means, with respect to a Licensed Product, any and all activities performed by or on behalf of a Party's or its Affiliates' medical affairs departments interacting with physicians or other healthcare professionals who utilize or conduct research related to a drug or biological product, including: supporting continuing medical education and other medical programs and communications; development, publication, and dissemination of publications; development and fulfillment of medical information responses; development and execution of disease awareness education including symposia and digital education initiatives; sponsorship and booth exhibition at key congresses; conducting health economic, burden of illness/disease, natural history and real world evidence studies; supporting educational fellowships and research grants, supporting external research efforts such as scientific research agreements and investigator initiated trials (following Regulatory Approval); medical resourcing, training and allocation; medical and scientific platform, content development, publications, and communications; conducting appropriate activities involving opinion leaders, including communications and engagement; conducting medical science liaison activities; advisory boards (to the extent related to medical affairs or clinical guidance) and conducting advisory board meetings or other consultant programs; establishing patient registries and expanded access programs; post-approval investigator initiated trials or scientific research agreements; life cycle management activities and clinical research.

1.134 "**Medicare Price**" means (a) with respect to a Licensed Product that is a covered Part D drug, the average negotiated price (as defined in Section 1860D-2(d) of the Social Security Act), minus the average rebate or other post-point of sale direct or indirect remuneration as described in 42 CFR 423.308, under prescription drug plans or MA-PD plans for such Licensed Product during the Calendar Year immediately prior to the Price Applicability Period or (b) with respect to a Licensed Product for which payment may be made under part B of title XVIII of the Social Security Act, the average payment amount under section 1847A(b)(4) of the Social Security Act across the four Calendar Quarters immediately prior to the Price Applicability Period.

1.135 "**Milestone Events**" means [***].

1.136 "**Milestone Payments**" means [***].

1.137 "**Modified Program RNAi Trigger**" means any RNAi Trigger that has [***].

1.138 "**mRNA**" means messenger ribonucleic acid.

1.139 "**Net Sales**" means with respect to a Licensed Product, the gross amount invoiced by or on behalf of Biogen or its Affiliates or Sublicensees (each of the foregoing Persons, a "**Selling Party**") for the sale or other disposition of such Licensed Product to a Third Party (including Third Party Distributors) in the Territory, [***]:

(a) [***]

(b) [***]

(c) [***]

(d) [***]

(e) [***]

[***]

[***]

[***]

In the case of any Combination Product sold in a given country and reporting period, Net Sales for the purpose of determining royalties and Sales Milestone Events of the Combination Product in such country will be calculated as follows:

[***]

[***]

[***]

[***]

1.140 "**New License Agreement**" means any direct license granted by City to a Sublicensee of Biogen as described in Section 2.2.2 (Survival of Sublicenses).

1.141 "**Non-Defaulting Party**" has the meaning set forth in Section 11.3.3 (Cure Periods for Material Breaches).

1.142 "**Option**" has the meaning set forth in Section 2.8.1.

1.143 "**Option Exercise Notice**" has the meaning set forth in Section 2.8.2.

1.144 "**Option Exercise Period**" means [***].

1.145 "**Option Negotiation Period**" has the meaning set forth in Section 2.8.3.

1.146 "**Orphan Drug Designation**" means a grant by the FDA of a request for designation under Section 526 of the FD&C Act as amended by Section 2 of the Orphan Drug Act (sections 525-528 (21 U.S.C. 360aa-360dd)) in the United States or any analogous grant by a Regulatory Authority in any other country in the Territory.

1.147 "**OSIF**" has the meaning set forth in the definition of "OSIF License".

1.148 "**OSIF Agreements**" means the OSIF License and the OSIF SRA.

1.149 "**OSIF Know-How**" means any Know-How licensed to City pursuant to the OSIF Agreements as of the Effective Date or thereafter at any time prior to the end of the Term.

1.150 "**OSIF License**" means that certain Exclusive License Agreement entered into by and between the Ohio State Innovation Foundation ("**OSIF**") and City, dated as of October 30, 2023, as amended by that certain Amendment No.1 dated as of February 8, 2024, that certain Amendment No. 2 dated as of April 3, 2025, and that certain Amendment No. 3 dated as of May 13, 2025, and as may be further amended as permitted under this Agreement.

1.151 "**OSIF Patent**" means any Patent Right licensed to City pursuant to the OSIF Agreements as of the Effective Date or thereafter at any time prior to the end of the Term.

1.152 "**OSIF SRA**" means that certain Sponsored Research Agreement entered into by and between The Ohio State University and City, dated as of October 31, 2023, as may be amended as permitted under this Agreement.

1.153 "**Other Committee**" has the meaning set forth in Section 4.3.1 (Formation).

1.154 [***].

1.155 "**Other Third Party Rights**" has the meaning set forth in Section 2.6.3 (Other Third Party Rights).

1.156 "**Overall Royalty Floor**" has the meaning set forth in Section 6.3.4(e)(ii).

1.157 "**Parent RNAi Trigger**" has the meaning set forth in the definition of "Modified Program RNAi Trigger".

1.158 "**Party**" and "**Parties**" has the meaning set forth in the preamble.

1.159 "**Patent Counsel**" has the meaning set forth in Section 9.10 (Patent Counsel).

1.160 "**Patent Rights**" means any and all (a) patents, (b) patent applications, including all provisional and non-provisional applications, patent cooperation treaty (PCT) applications, substitutions, continuations, continuations-in-part, divisions and renewals, and all patent rights granted thereon, (c) all patents-of-addition, reissues, re-examinations, renewals, and extensions or restorations by existing or future extension or restoration mechanisms, including supplementary protection certificates and equivalents of any of the foregoing described in subsections (a) through (c) above, (d) inventor's certificates, letters patent, or (e) any foreign counterparts or equivalents of the foregoing described in subsections (a) through (e) above, anywhere in the world.

1.161 "**Patent Term Extension**" means patent term extensions, supplementary protection certificates, or equivalents thereto in any country in the Territory, in each case, where applicable to a Licensed Product.

1.162 "**Payments**" means the amounts payable pursuant to this Agreement.

1.163 "**Payment Conditions**" has the meaning set forth in **[***]**.

1.164 "**Permitted Budget Increase**" has the meaning set forth in Section 4.2.5 (Decision-Making Authority).

1.165 "**Person**" means any individual, firm, corporation, partnership, limited liability company, trust, business trust, joint venture, Governmental Authority, association or other entity.

1.166 "**Phase I Clinical Trial**" means a clinical trial in humans of a pharmaceutical or biologic product that meets the requirements of 21 C.F.R. § 312.21(a), as amended (or its successor regulation), or, with respect to any other country or region, the equivalent of such a clinical trial in such other country or region.

1.167 "**Phase II Clinical Trial**" means a clinical trial in humans of a pharmaceutical or biologic product that meets the requirements of 21 C.F.R. § 312.21(b), as amended (or its successor regulation), or, with respect to any other country or region, the equivalent of such a clinical trial in such other country or region.

1.168 "**Phase III Clinical Trial**" means a clinical trial in humans of a pharmaceutical or biologic product that (a) the FDA permits to be conducted under an open IND and (b) meets (and is designed to meet) the requirements of 21 C.F.R. § 312.21(c), as amended (or its successor regulation), or, with respect to any other country or region, the equivalent of such a clinical trial in such other country or region. A Phase II Clinical Trial, a phase 2b clinical trial or a phase 2/3 clinical trial shall not be considered a "Phase III Clinical Trial"; *provided* that if (i) at the time such clinical trial is initiated, it includes a prospectively planned opportunity for such clinical trial to be modified based on interim analyses to change to or add a Phase III Clinical Trial following an analysis of interim data from subjects in such clinical trial and (ii) based on pre-specified analyses following an analysis of interim data from subjects therein, such clinical trial is modified to meet and otherwise satisfies the criteria for a Phase III Clinical Trial, the results of which, together with prior data and information concerning the applicable Licensed Product, would (if such clinical trial meets its primary endpoints) be sufficient to support the filing of an MAA for such Licensed Product, as acknowledged by the FDA or other applicable Regulatory Authority, then such clinical trial shall constitute a Phase III Clinical Trial from and after the date that new patients are dosed in such Phase III Clinical Trial portion of such Clinical Trial for purposes of this Agreement and, for purposes of Section 6.2.2 (Development Milestones), the Initiation of such Phase III Clinical Trial shall be deemed to occur on the date of the first (1st) dosing of the fifth (5th) of such new patients in the Phase III Clinical Trial portion of such clinical trial.

1.169 "**PHSA**" means the Public Health Service Act as set forth at 42 U.S.C. Chapter 6A, as may be amended from time to time, together with any rules, regulations and requirements promulgated thereunder (including all additions, supplements, extensions and modifications thereto).

1.170 "**Post-Selection Period**" means the period beginning upon the Development Candidate Selection Date and expiring upon the expiration or earlier termination of this Agreement.

1.171 "**Pre-Existing Affiliates**" means, with respect to a Party that undergoes a Change of Control, those Affiliates of such Party following the closing of such Change of Control that were Affiliates of such Party immediately prior to the closing of such Change of Control.

1.172 "**Pre-Selection Period**" means the period beginning upon the Effective Date and expiring upon the date that is one day prior to the Development Candidate Selection Date.

1.173 "**Price Applicability Period**" has the meaning set forth in the Inflation Reduction Act or, if under a similar U.S. state or federal law, a similar period as set forth under such U.S. state or federal law.

1.174 "**Pricing and Reimbursement Approval**" means, in a country in which Regulatory Authorities authorize reimbursement for, or approve or determine pricing for, pharmaceutical or biologic products to be marketed and sold or reimbursed in such country, receipt (or, if required to make such authorization, approval or determination effective, publication) of such reimbursement authorization or pricing approval or determination (as the case may be).

1.175 "**Product Third Party Rights**" has the meaning set forth in Section 2.6.2 (Product Third Party Rights).

1.176 "**Program Conjugate**" means any Conjugate created in the performance of the Research Program.

1.177 "**Program Linker**" means any Linker identified or created in the performance of the Research Program.

1.178 "**Program Patent Rights**" means Licensed Patent Rights that claim any Program RNAi Trigger, Program Linker, Program Conjugate, Licensed Compound, or Licensed Product. For clarity, Program Patent Rights do not include City Core Technology Patent Rights.

1.179 "**Program RNAi Trigger**" means any RNAi Trigger provided by City to Biogen under this Agreement or identified or created in the performance of the Research Program.

1.180 "**Proposed Target**" has the meaning set forth in Section 2.8.2.

1.181 "**Prosecuting Party**" means, with respect to any Patent Right, the Party that is responsible for the preparation, filing, prosecution, and maintenance of such Patent Right pursuant to Section 9.2.1 (Right to File and Prosecute) or Section 9.2.2 (Step-In Rights), as applicable.

1.182 "**Receiving Party**" has the meaning set forth in the definition of "Confidential Information".

1.183 "**Redacted Agreement**" has the meaning set forth in Section 8.4 (Redacted Agreement).

1.184 "**Regulatory Approval**" means, with respect to a particular country or other regulatory jurisdiction, any and all approvals of an MAA or other approval, product, or establishment license, registration, or authorization of any Regulatory Authority necessary for the commercial marketing or sale of a pharmaceutical or biologic product in such country or other regulatory jurisdiction, including, in each case, any and all Pricing and Reimbursement Approvals reasonably necessary to Commercialize such product in such country or regulatory jurisdiction, whether or not legally required to Commercialize such product in such country or regulatory jurisdiction, including, in the U.S., approval for reimbursement by the Centers for Medicare and Medicaid Services. The Parties acknowledge that, as of the Effective Date, approval for reimbursement by the Centers for Medicare and Medicaid Services is the only Pricing and Reimbursement Approval reasonably necessary to Commercialize a product in the U.S.

1.185 "**Regulatory Authority**" means any applicable Governmental Authority with jurisdiction or authority over the Development, Manufacture, Commercialization, or other Exploitation (including Regulatory Approval or Pricing and Reimbursement Approval) of pharmaceutical or biologic products in a particular country or other regulatory jurisdiction, and any corresponding national or regional regulatory authorities.

1.186 "**Regulatory Exclusivity**" means any exclusive marketing rights, data protection, or exclusivity rights or protection conferred by any Regulatory Authority with respect to a Licensed Product in a particular country or other regulatory jurisdiction that: (a) confers an exclusive Commercialization period during which Biogen or its Affiliates or Sublicensees have the exclusive right to market and sell the applicable product in such country for all applicable Indications for which the Licensed Product has been approved; and (b) prevents such Regulatory Authority from granting any Regulatory Approval of a Biosimilar Product for such exclusivity period or prevents a Third Party from making a cross reference to data held by such Regulatory Authority; but in all cases excluding Patent Rights and patent term extensions. If a Regulatory Authority confers more than one type of exclusivity with respect to a biological product in a country or jurisdiction (*e.g.*, the FDA grants both biologic drug reference product exclusivity and orphan drug exclusivity with respect to such biological product), Regulatory Exclusivity will be deemed to apply to such Licensed Product in such country or jurisdiction so long as any exclusivity granted to such Licensed Product prevents such Regulatory Authority from granting any Regulatory Approval of a Biosimilar Product in any Indication in the Approved Labeling for such Licensed Product (*i.e.*, the foregoing will no longer apply once such Regulatory Authority is able to grant such Regulatory Approval in at least one of such Indications) and prevents Third Parties from making any cross reference to data with respect to such Licensed Product held by such Regulatory Authority.

1.187 "**Regulatory Submissions**" means any filing, application, or submission with any Regulatory Authority in support of the Development, Manufacture, Commercialization, or other Exploitation of a pharmaceutical or biologic product (including to obtain, support, or maintain Regulatory Approval from that Regulatory Authority), and all correspondence or communication with or from the relevant Regulatory Authority, as well as minutes of any material meetings, telephone conferences, or discussions with the relevant Regulatory Authority. Regulatory Submissions include all INDs, BLAs, MAAs, and other applications for Regulatory Approval and their equivalents including Orphan Drug Designation.

1.188 "**Related Third Party Rights**" means any Know-How or Patent Rights owned or controlled by a Third Party (and not owned by or licensed to City or any of its Affiliates as of the Effective Date) which, if Controlled by City, would be Licensed Technology under this Agreement.

1.189 "**Research**" means any and all activities directed to the research, identification, generation, formatting, screening, selecting, testing (including in silico, in vitro, ex vivo human validation systems and animal models), optimization, stability testing and toxicology of compounds or products. When used as a verb, "**to Research**" and "**Researching**" means to engage or engaging in Research.

1.190 "**Research Activities**" means the discovery, identification, optimization, CMC and other research activities to be conducted by or on behalf of a given Party under the Research Plan and in accordance with such Research Plan and the terms of this Agreement. Accordingly, "**City Research Activities**" means those Research Activities allocated to City under the Research Plan, and "**Biogen Research Activities**" means those Research Activities allocated to Biogen under the Research Plan.

1.191 "**Research Milestone Event**" has the meaning set forth in Section 6.2.1 (Research Milestones).

1.192 "**Research Milestone Payment**" has the meaning set forth in Section 6.2.1 (Research Milestones).

1.193 "**Research Plan**" means the written plan agreed by the Parties governing the Parties' Research Activities, as such plan may be amended from time to time in accordance with this Agreement. The [***].

1.194 "**Research Program**" means a research program, including all Research Activities, to generate Conjugates directed to the Target, as further described in this Agreement.

1.195 "**Research Term**" means the period beginning upon the Effective Date and expiring upon the earlier of (a) the Development Candidate Selection Date, and (b) the effective date of termination of this Agreement.

1.196 "**Residual Knowledge**" means any knowledge, technique, experience, or Know-How that is retained in the unaided memory of any officers, directors, agents, contractors, or employees of a Receiving Party after having access to Confidential Information.

1.197 "**Results**" means any and all results, information, data, presentations, summaries, and analyses that are generated, identified, or discovered pursuant to or prepared as a result of, or in connection with the performance of, the Research Activities under the Research Plan.

1.198 "**RNAi Trigger**" means a double-stranded short non-coding oligonucleotide designed to cleave mRNA and inhibit expression of the Target. For clarity, the term "RNAi Trigger" does not include any Conjugate.

1.199 "**RNAi Trigger Candidate Selection**" has the meaning set forth in Section 3.5.2 (RNAi Trigger Candidate Selection).

1.200 "**RNAi Trigger Candidate Selection Outside Date**" means the earlier of: (a) the date that is [***] after the Effective Date, *provided* that, if, as of such date, there are ongoing Research Activities with respect to any Program RNAi Trigger for purposes of confirming whether such Program RNAi Trigger satisfies the RNAi Trigger Selection Criteria, then such date will be extended until the date that (i) such Research Activities are completed, (ii) if such Program RNAi Trigger has satisfied the RNAi Trigger Selection Criteria, the RNAi Trigger Data Package Date has occurred with respect thereto and (iii) following the completion of the foregoing (i) and (ii), Biogen has had a reasonable period of time (not to exceed [***]) to determine whether to make an RNAi Trigger Candidate Selection with respect to such Program RNAi Trigger; and (b) the date that is [***] after the Effective Date.

1.201 "**RNAi Trigger Data Package**" has the meaning set forth in Section 3.5.1 (RNAi Trigger Data Packages).

1.202 "**RNAi Trigger Data Package Date**" means, with respect to a Program RNAi Trigger, the date that the JRT delivers the RNAi Trigger Data Package for such Program RNAi Trigger to the JRC in accordance with Section 3.5.1 (RNAi Trigger Data Packages).

1.203 "**RNAi Trigger Selection Criteria**" means Biogen's selection criteria for Program RNAi Triggers as defined in the Research Plan.

1.204 "**Royalty-Bearing Patent Claim**" means [***].

1.205 "**Royalty-Bearing Product**" means, [***].

1.206 "**Royalty Term**" means, [***].

1.207 "**Safeguard Procedures**" has the meaning set forth in Section 2.7.2 (Exception for Acquisition of a Party).

1.208 "**Sales Milestone Event**" has the meaning set forth in Section 6.2.3 (Sales Milestones).

1.209 "**Sales Milestone Payment**" has the meaning set forth in Section 6.2.3 (Sales Milestones).

1.210 "**SEC**" means the United States Securities and Exchange Commission.

1.211 "**Segregated Materials**" has the meaning set forth in the definition of "Acquirer Technology".

1.212 "**Segregated Personnel**" has the meaning set forth in Section 2.7.2.

1.213 "**Selling Party**" has the meaning set forth in the definition of "Net Sales".

1.214 "**Specified Confidential Information**" has the meaning set forth in the definition of "Confidential Information".

1.215 "**Standard Royalty Floor**" has the meaning set forth in Section 6.3.4(e)(i).

1.216 "**Subcontractor**" means a Third Party contractor engaged by a Party to perform certain obligations or exercise certain rights on behalf of such Party under this Agreement on a fee-for-service basis (which may include Third Party Distributors, contract research organizations, and contract manufacturing organizations).

1.217 "**Sublicense Agreement**" means any agreement under which a sublicense is granted to a Sublicensee under any Licensed Technology licensed to Biogen pursuant to Section 2.2.1 (Sublicensing by Biogen).

1.218 "**Sublicense Election Notice**" has the meaning set forth in Section 2.6.4 (Conditions for Related Third Party Rights).

1.219 "**Sublicensees**" means any Third Party, other than a Subcontractor, to which Biogen or any of its Affiliates grants a sublicense of its rights hereunder to Exploit Licensed Products, [***].

1.220 "**Target**" means a [***], including fragments thereof, or the genetic sequence that encodes for the [***].

1.221 "**Tax**" means any U.S. and non-U.S. federal, state, local, regional, municipal, or other tax or taxation, levy, duty, charge, withholding, or other assessment of any kind (including any related fine, penalty, addition to tax, surcharge, or interest) imposed by, or payable to, a Governmental Authority, including sales, use, excise, stamp, transfer, property, value added, goods and services, withholding, and franchise tax.

1.222 "**Term**" has the meaning set forth in Section 11.1 (Term).

1.223 "**Territory**" means all of the countries of the world, and their territories and possessions.

1.224 "**Third Party**" means any Person other than Biogen or City or their respective Affiliates.

1.225 "**Third Party Agreement**" has the meaning set forth in Section 6.3.4(c) (Third Party Payments).

1.226 "**Third Party [***] Patent Right**" means any Patent Right that (i) Covers a [***] incorporated into a Royalty-Bearing Product, and (ii) is not primarily directed to any component of such Royalty-Bearing Product other than the [***] component.

1.227 "**Third Party Claims**" means any claims, investigations, demands, or suits by a Third Party against a Biogen Indemnified Party or City Indemnified Party, as applicable.

1.228 "**Third Party Distributor**" means, with respect to a Licensed Product in a country, any Third Party that purchases its requirements for such Licensed Product in such country from Biogen or its Affiliates or Sublicensees and is appointed as a distributor to distribute, market, and resell such Licensed Product in such country, even if such Third Party is granted ancillary rights to Develop, package, or obtain Regulatory Approval of such Licensed Product in order to distribute, market, or sell such Licensed Product in such country.

1.229 "**Third Party Patent Challenge**" has the meaning set forth in Section 9.5.2 (Parties' Patent Rights).

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

1.231 "**United States**" or "**U.S.**" means the United States of America and its territories and possessions (including the District of Columbia and Puerto Rico).

1.232 "**Upstream Agreements**" means any agreement between City or any of its Affiliates and any Third Party, whether existing as of the Effective Date or at any time thereafter prior to the end of the Term, pursuant to which City Controls (including by acquiring ownership rights to or in-licensing) any Licensed Technology. The Upstream Agreements as of the Effective Date are set forth on [***].

1.233 "**U.S. Bankruptcy Code**" means title 11 of the United States Code, as amended.

1.234 "**Valid Claim**" means, with respect to a particular country, (a) a claim of any issued and unexpired patent in such country whose validity, enforceability, or patentability has not been terminated by any of the following: (i) irretrievable lapse, abandonment, revocation, dedication to the public, or disclaimer; or (ii) a holding, finding, or decision of invalidity, unenforceability, or non-patentability, from which decision no appeal can be further taken, or (b) a claim within a patent application in such country that has not been pending for more than [***].

1.235 "**VAT**" means, (a) within the European Union, such tax as may be charged in accordance with (but subject to derogations from) Directive 2006/112/EC and any successor or equivalent legislation and any national legislation implementing that directive together with legislation supplemental thereto and the equivalent tax (if any) in that jurisdiction, and, (b) outside the European Union, value added tax or any form of consumption tax, as well as all other forms of taxes charged on the supply of a good or a service under Applicable Law, including (i) sales tax and goods and services tax, but in any event excluding any U.S. sales tax and (ii) in Canada, the Federal Goods and Services Tax, the Harmonized Sales Tax, the Quebec Sales Tax, and the Provincial Sales Tax.

1.236 "**Wind-Down Period**" has the meaning set forth in Section 2.7.3 (Acquisition of a Competitive Product by a Party).

1.237 "**Withholding Tax**" has the meaning set forth in Section 6.9.2.

ARTICLE 2
LICENSE GRANTS

2.1 **License Grants**.

2.1.1 **Research Activities License Grants**.

(a) City hereby grants to Biogen and its Affiliates, during the Research Term, a royalty-free, worldwide, non-exclusive, non-sublicensable license under the City Research Technology solely for the purpose of performing (or having performed by one or more Subcontractors in accordance with Section 2.2.3 (Subcontracting by City and Biogen)) the Biogen Research Activities under the Research Plan.

(b) Biogen hereby grants to City and its Affiliates, during the Research Term, a royalty-free, worldwide, non-exclusive, non-sublicensable (sub)license under the Biogen Research Technology and the Licensed Technology licensed to Biogen under Section 2.1.2 (Exclusive License Grant to Biogen) solely for the purpose of performing (or having performed by one or more Subcontractors in accordance with Section 2.2.3 (Subcontracting by City and Biogen)) the City Research Activities under the Research Plan.

2.1.2 **Exclusive License Grant to Biogen**. City hereby grants to Biogen and its Affiliates a worldwide, royalty-bearing, exclusive license, with the right to sublicense through multiple tiers (subject to the provisions of Section 2.2 (Sublicensing by Biogen)), under the Licensed Technology to Exploit the Licensed Compounds and Licensed Products in the Field in the Territory.

2.1.3 **Covenant of Biogen**. Notwithstanding anything to the contrary in Section 2.1.2 (Exclusive License Grant to Biogen), Biogen hereby covenants and agrees that, unless and until Development Candidate Selection occurs, Biogen shall not exercise the license granted in Section 2.1.2 (Exclusive License Grant to Biogen) to clinically Develop or Commercialize any Licensed Compound or Licensed Product. Effective as of the Development Candidate Selection Date, this Section 2.1.3 (Covenant of Biogen) will automatically, with no further action of either Party, terminate and be of no further force or effect, and Biogen will have all rights to freely exploit the license granted to Biogen under Section 2.1.2 (Exclusive License Grant to Biogen).

2.2 **Sublicenses and Subcontracting**.

2.2.1 **Sublicensing by Biogen**. From and after the Development Candidate Selection Date, Biogen and its Affiliates may grant sublicenses under Section 2.1.2 (Exclusive License Grant to Biogen) to any Affiliate or Third Party, including to any Subcontractor engaged by or on behalf of Biogen or any of its Affiliates, [***]. Notwithstanding the foregoing, Biogen and its Affiliates and Sublicensees may grant sublicenses under Section 2.1.1(a) (Research Activities License Grants) or Section 2.1.2 (Exclusive License Grant to Biogen) at any time during the Term to any Subcontractor engaged by or on behalf of Biogen or any of its Affiliates or Sublicensees in accordance with Section 2.2.3 (Subcontracting by City and Biogen).

2.2.2 **Survival of Sublicenses**. Notwithstanding Section 11.7.2 (Additional Effects of Termination), upon termination of this Agreement for any reason *other than* termination by Biogen under Section 11.6 (Termination for Convenience by Biogen) and upon the request of any Sublicensee not then in breach of its Sublicense Agreement or the terms of this Agreement applicable to such Sublicensee, City will (subject to the additional requirements in this Section 2.2.2 (Survival of Sublicenses)) enter into a New License Agreement from City to such Sublicensee on the same terms as this Agreement, taking into account any difference in license scope, territory, and duration of sublicense grant, *provided,* that, (i) the Sublicensee agrees to pay any monetary damages actually owed by Biogen to City at the time of termination solely to the extent such monetary damages are directly related to the scope of such Sublicensee's Sublicense Agreement (*e.g.*, with respect to license scope and territory); and (ii) the Sublicense Agreement was granted in accordance with the sublicensing provisions of this Agreement. Under any such New License Agreement between City and such former Sublicensee, such Sublicensee will be required to pay to City the same amounts in consideration for such direct grant as City would have otherwise received from Biogen pursuant to this Agreement on account of such Sublicensee's Exploitation of the Licensed Products had this Agreement not been terminated. Under such New License Agreement, City will not be bound by any grant of rights broader than, and will not be required to perform any obligation, other than those rights and obligations (to the extent relevant to such Sublicensee) contained in this Agreement, and all applicable rights of City set forth in this Agreement will be included in such New License Agreement. Each Sublicensee will be an intended Third Party beneficiary of this Section 2.2.2 (Survival of Sublicenses) with the right to enforce the same against City. At the request of Biogen, City will issue a comfort letter directly to any potential Sublicensee confirming the terms of this Section 2.2.2 (Survival of Sublicenses). For the avoidance of doubt, nothing herein will grant to City any right to enter into a New License Agreement with any Person other than a Sublicensee in accordance with this Section 2.2.2 (Survival of Sublicenses), and nothing shall obligate City to enter into a New License Agreement with any Sublicensee if City offers to such Sublicensee terms and conditions for such New License Agreement with that are consistent with those (to the extent relevant to such Sublicensee) contained in this Agreement and such Sublicensee does not agree to such terms and conditions.

2.2.3 **Subcontracting by City and Biogen**. Subject to Section 2.3 (Responsibility for Sublicensees and Affiliates) and Section 7.4.1, City will be entitled to engage one or more Subcontractors to perform any of the City Research Activities under the Research Plan or other City activities under this Agreement only if (a) (i) such Subcontractor is expressly set forth in the Research Plan or (ii) City otherwise obtains the prior written consent of Biogen, (b) any such Subcontractor has the requisite expertise to conduct the relevant subcontracted responsibilities, and (c) any agreement with such a Subcontractor is consistent with the provisions of this Agreement including (i) an assignment or license to City of all Intellectual Property created in the conduct of the relevant Research Activities that would, if Controlled by City, constitute Licensed Technology, pursuant to which City receives sufficient rights to allow it to grant the licenses granted to Biogen under Sections 2.1.1(a) and 2.1.2 (Exclusive License Grant to Biogen), and (ii) terms and conditions under which such Subcontractor is obligated to preserve the confidentiality of any Confidential Information of Biogen received by such Subcontractor that are at least as stringent as those described in Article 8 (Confidentiality). Subject to Section 2.3 (Responsibility for Sublicensees and Affiliates) and Section 7.4.1, Biogen and its Affiliates and Sublicensees will be entitled to engage one or more Subcontractors to perform any of the Biogen Research Activities or other Biogen activities under this Agreement if such engagement is in accordance with Biogen's standard practice for engaging Subcontractors.

2.3 **Responsibility for Sublicensees and Affiliates**. Each Party will remain liable under this Agreement for the performance of all its obligations under this Agreement notwithstanding any delegation to any licensee, Sublicensee, Subcontractor or Affiliate of such Party (whether directly or through multiple tiers), and will be responsible for and liable for compliance by such licensees, Sublicensees, Subcontractors and Affiliates with the applicable provisions of this Agreement.

2.4 **No Implied Licenses**. Except as expressly provided in this Agreement, neither Party will be deemed to have granted the other Party any license or other right with respect to any Intellectual Property of such Party, whether by implication, estoppel, or otherwise. Notwithstanding anything to the contrary in this Agreement, the license granted in Section 2.1.2 (Exclusive License Grant to Biogen) shall not be construed as granting to Biogen or its Affiliates (either expressly or by implication) any rights or license to any Licensed Know-How to the extent it relates to, or any Licensed Patent Right to the extent it Covers, any [***] in a Combination Product (other than any Licensed Know-How that relates to, or any Licensed Patent Right that Covers, the combination, use or other Exploitation of such Licensed Compound, on the one hand, with such [***], or compound class including such [***], on the other hand, but in which case, the licenses granted in Section 2.1.2 (Exclusive License Grant to Biogen) shall be only with respect to the Licensed Compound or its combination, use or other Exploitation in such Combination Product, and no license is granted to Exploit any [***] in such Combination Product itself).

2.5 **Upstream Agreements**.

2.5.1 **Responsibility for Costs**. As between the Parties, City will at all times remain responsible for 100% of any and all payments of any kind payable or otherwise arising under, or incurred in connection with, (a) any Upstream Agreement in existence as of the Effective Date or (b) subject to City's compliance with Section 2.6.3 (Other Third Party Rights), any Upstream Agreement entered into thereafter during the Term, except, in the case of this clause (b), as expressly set forth in Section 2.6.4 (Conditions for Related Third Party Rights) (in each case ((a) and (b)), whether such payments accrue prior to, on, or following the Effective Date and including any payments that arise as result of this Agreement). Without limiting the foregoing, City covenants to Biogen that it will timely pay to OSIF all amounts required to be paid to OSIF under the OSIF Agreements, including paying to OSIF the applicable portion of the upfront payments set forth in Section 6.1 (Upfront Payments) within [***] of receiving such upfront payments from Biogen. City will provide to Biogen competent written evidence of each such payment to OSIF [***] after such payment is made.

2.5.2 **Default and Cure; Offset Right**. If City breaches or defaults under any of its obligations to any counterparty under any Upstream Agreement, then City will promptly notify Biogen in writing of any such breach or default. If City does not cure such breach or default by the date on which half of the applicable cure period remains under the applicable Upstream Agreement, then Biogen will have the right (but not the obligation), in its sole discretion, to cure any such breach or default under an Upstream Agreement (and City shall facilitate any such efforts to cure such breach or default) and to offset any and all costs and expenses incurred by Biogen in connection with curing such breach or default against any Milestone Payments, royalties, or other amounts payable to City under this Agreement. In addition, notwithstanding anything to the contrary in this Agreement, if any Upstream Agreement terminates and, following such termination, Biogen obtains a direct license from the applicable licensor under any Intellectual Property that was, prior to such termination, Licensed Technology, Biogen may offset any and all amounts paid by Biogen to such licensor in consideration for such rights against any Milestone Payments, royalties, or other amounts payable to City under this Agreement.

2.6 **Related Third Party Rights**.

2.6.1 **Identification of Related Third Party Rights**. If, following the Effective Date, City or any of its Affiliates identifies any Related Third Party Rights, then City shall promptly notify Biogen of such determination. After delivery of such notice, upon Biogen's request, the Parties will promptly meet to discuss such Related Third Party Rights. Nothing in this Section 2.6 (Related Third Party Rights) will be deemed to limit or restrict in any respect Biogen's rights to seek or obtain a license or other rights with respect to any intellectual property of any Third Party.

2.6.2 **Product Third Party Rights**. With respect to any Related Third Party Rights that [***] "**Product Third Party Rights**"), Biogen will have the sole right (but not the obligation) to obtain a license or other rights from the applicable Third Party under such Product Third Party Rights to Exploit the Licensed Compounds or Licensed Products. [***].

2.6.3 **Other Third Party Rights**. If City or any of its Affiliates enters into a Third Party agreement after the Effective Date to obtain a license or other rights under any Related Third Party Rights that are not Product Third Party Rights with the right to sublicense to Biogen under this Agreement ("**Other Third Party Rights**"), then (a) City will promptly provide to Biogen written notice identifying the applicable Other Third Party [***] and (b) Biogen will have the option to receive a sublicense of such rights in accordance with Section 2.6.4 (Conditions for Related Third Party Rights). [***].

2.6.4 **Conditions for Related Third Party Rights**. With respect to any Third Party rights for which City provides a notice to Biogen under Section 2.6.3 (Other Third Party Rights), Biogen will have the option to receive a sublicense under any such Other Third Party Rights by written notice to City (a "**Sublicense Election Notice**"). If Biogen elects to receive such sublicense and provides a Sublicense Election Notice to City, then Biogen will: [***]. If Biogen provides a Sublicense Election Notice, then, effective as of the date of such notice, the applicable Other Third Party Rights will automatically be deemed to be Controlled by City for purposes of this Agreement and will constitute Licensed Technology for all purposes under this Agreement, including the license grants to Biogen pursuant to Section 2.1.1(a) and Section 2.1.2 (Exclusive License Grant to Biogen), without any further action of the Parties.

2.6.5 **Rights Not Licensed to Biogen**. [***]

2.7 **Exclusivity**.

2.7.1 **[***]**

2.7.2 **[***]**

2.7.3 **[***]**

2.8 **Option for Additional Target**.

2.8.1 City hereby grants to Biogen an option to select one additional target that is not the Target, to become subject to a research collaboration and license agreement between the Parties [***] (the "**Option**"). Biogen may exercise the Option [***] in accordance with the terms of this Section 2.8 (Option for Additional Target).

2.8.2 If Biogen desires to exercise the Option, Biogen will provide written notice to City (an "**Option Exercise Notice**") [***], which notice will specify the proposed additional target (the "**Proposed Target**"). City will provide written notice to Biogen [***] of the Proposed Target, specifying whether such Proposed Target is an Available Target.

2.8.3 If the Proposed Target is an Available Target, then, (a) during the period starting [***] and ending [***] (unless extended by the Parties' mutual agreement) (the "**Option Negotiation Period**"), City and its Affiliates shall not grant to any Third Party any rights or licenses (or exclusivity commitments) with respect to [***] (b) the Parties shall [***] negotiate [***], a research collaboration and license agreement, in substantially the same form as this Agreement, with respect to the research by the Parties of RNAi therapeutics directed to such Proposed Target and the further Exploitation by Biogen of products containing such RNAi therapeutics (the "**Additional Target Agreement**") and (c) if the Parties enter into an Additional Target Agreement, then Biogen shall pay to City an option exercise fee in the amount [***]. The Additional Target Agreement will include the same financial terms as this Agreement, except that the aforementioned option exercise fee will be in lieu of the upfront payments as set forth in Section 6.1 (Upfront Payments). [***]

2.8.4 If the Proposed Target is not an Available Target, then the Option will remain unexercised and Biogen will have the right (but no obligation) to submit a subsequent Option Exercise Notice for a different Proposed Target in accordance with the terms of this Section 2.8 (Option for Additional Target). [***]

ARTICLE 3
RESEARCH COLLABORATION

3.1 **Overview**. The Parties intend to collaborate on a Research Program, as further described in this Article 3 (Research Collaboration). During the Research Program, City will conduct certain Research Activities to discover and identify RNAi Triggers directed to the Target, with the goal of identifying multiple Program RNAi Triggers that meet the RNAi Trigger Selection Criteria, and the Parties will conduct certain Research Activities to discover and identify suitable Linkers for use in Conjugates. With respect to each Program RNAi Trigger that Biogen selects for incorporation into one or more Conjugate(s), the Parties will conduct certain Research Activities to generate Conjugates using such Program RNAi Trigger, with the goal of generating multiple Program Conjugates that meet the Development Candidate Selection Criteria. For the avoidance of doubt, the Parties anticipate that the Research Activities will be iterative to the extent set forth in the Research Plan, such that City will continue to conduct the City Research Activities as set forth in the Research Plan to discover and identify additional Program RNAi Triggers that meet the RNAi Trigger Selection Criteria in parallel with the Parties' conduct of Research Activities to generate Conjugates with respect to each Program RNAi Trigger selected by Biogen.

3.2 **Research Plan**.

3.2.1 **Initial Research Plan**. The Research Plan as of the Effective Date is attached to this Agreement as **[***].**

3.2.2 **Amendments to Research Plan**. Either Party may propose amendments to the Research Plan to the other Party from time to time during the Research Term. Following any such proposal, and otherwise on at least an annual basis during the Research Term, the JRC will review the then-current Research Plan and will discuss, prepare and determine whether to approve any amendments thereto; *provided* that any such amended Research Plan will at all times meet the requirements of Section 3.2.3 (Research Plan Contents). Each amended Research Plan will become effective and supersede the previous Research Plan as of the date of approval by the JRC.

3.2.3 **Research Plan Contents**. The Research Plan will at all times include: (a) all activities of City to discover and identify multiple RNAi Triggers directed to the Target that satisfy the RNAi Trigger Selection Criteria; (b) all activities of each Party to discover and identify Linkers for use in Conjugates; (c) with respect to each Program RNAi Trigger selected by Biogen, all activities of each Party to use such Program RNAi Trigger, [***] and Linkers described in the foregoing clause (b) to generate Conjugates that satisfy the Development Candidate Selection Criteria, through Development Candidate Selection; (d) a list of the information to be provided in each RNAi Trigger Data Package; (e) a list of the information to be provided in each Development Candidate Data Package; (f) the RNAi Trigger Selection Criteria; (g) the Development Candidate Selection Criteria; (h) a timeline for the Research Activities; and (i) an estimated budget, provided by City in good faith, for the City Research Activities set forth in the then-current Research Plan. In the event of any conflict between the Research Plan and the terms of this Agreement, the terms of this Agreement will control.

3.3 **Research Activities**.

3.3.1 **City Research Activities**. During the Research Term, City shall use Commercially Reasonable Efforts to: (a) perform all City Research Activities; and (b) provide Biogen with all City Research Know-How as contemplated under the Research Plan and prepare and deliver all Deliverables and Results that are to be delivered by City under the terms of the Research Plan, including the City Research Reports. City will perform, or have performed, all City Research Activities in accordance with the Research Plan and the corresponding timelines, and otherwise in accordance with this Agreement. Notwithstanding anything to the contrary, City's failure to meet the corresponding timelines shall not be deemed as a breach of this Agreement by City as long as City uses Commercially Reasonable Efforts to perform in accordance with such timelines, and any delay in the City Research Activities to the extent caused by Biogen's failure to perform any Biogen Research Activities pursuant to the timelines set forth in the Research Plan or Biogen's delay in providing any Biogen Research Know-How necessary for City's performance of any City Research Activities will not be deemed a breach by City of its obligations to perform the City Research Activities in accordance with the Research Plan and the corresponding timelines.

3.3.2 **Biogen Research Activities**. During the Research Term, Biogen: (a) will lead all Biogen Research Activities; (b) provide City with all Biogen Research Know-How as contemplated under the Research Plan; and (c) may elect to conduct any other preclinical or nonclinical Research or Development activities with respect to Licensed Compounds or Licensed Products, including for purposes of evaluating whether to make an RNAi Trigger Candidate Selection or Development Candidate Selection, as well as related CMC and Manufacturing activities.

3.3.3 **Materials**. Each Party will provide the other Party with any Materials designated in the Research Plan to be provided by such Party to the other Party for the purpose of carrying out the Research Activities. All Materials will remain the property of the providing Party, and no such Materials (or derivatives, analogs, modifications, or components thereof) may be transferred, delivered, or provided to any Third Party, without the prior written consent of the providing Party, except to permitted Subcontractors for the sole purpose of conducting the applicable Research Activities. The receiving Party may only use such Materials for the applicable Research Activities and for no other purpose, and the receiving Party will only use such Material in compliance with Applicable Law. Each Party will not, and will cause its Affiliates to not, disassemble, manipulate, or reverse engineer any portion of the other Party's Materials without the other Party's prior written consent, and will take all necessary steps to prevent unauthorized use, disclosure, disassembly, manipulation, or reverse engineering of the other Party's Materials. Without limiting any of the foregoing, if Biogen transfers to City any Materials, City will comply, and will cause its Affiliates and Subcontractors to comply, with Biogen's internal policies applicable to the use of such Materials and, if such Materials are subject to Third Party obligations of Biogen or its Affiliates, with all terms and conditions applicable to the use of such Materials arising out of such Third Party obligations, in each case, that are disclosed to City in writing.

3.3.4 **Manufacturing.** During the Research Term, City (either itself or through an Affiliate or Subcontractor) will be responsible, at its sole cost, for the Manufacture and supply of all Program RNAi Triggers for use in the Research Activities. Biogen (either itself or through an Affiliate or Subcontractor) will be responsible, at its sole cost, for, and will have the sole and exclusive right with respect to, the Manufacture and supply of (a) any Linker and (b) any [***], in each case ((a) and (b)), for use in the Research Activities.

3.4 **Reports of Research Activities**.

3.4.1 Notwithstanding any provision to the contrary set forth in this Agreement, City will keep Biogen reasonably informed, through presentations at each JRT meeting and each JRC meeting, regarding the status and progress of all City Research Activities. During the Research Term on a quarterly basis and also upon reasonable written request of Biogen, City will prepare a written report or other format (*e.g.*, slide deck) to update Biogen on the status of the City Research Activities performed as required by the Research Plan during the applicable Calendar Quarter (each, a "**City Research Report**"). Such reports must be sufficient in content to allow Biogen to evaluate the progress of the City Research Activities against the objectives and timelines included therefor in the Research Plan, and will include such other Deliverables, Results, or other information generated by City under the Research Plan, in each case, as are required to be delivered by City under the Research Plan. In addition, City will make all Results electronically available to Biogen on a continuous (*i.e.*, at least monthly) basis.

3.4.2 During such time as Biogen is conducting any Biogen Research Activities, Biogen will keep City reasonably informed regarding the status, progress, and Results of all Biogen Research Activities, in each case, to the extent necessary for City to conduct the City Research Activities. Biogen will make its Results electronically available to City to the extent necessary for City to conduct the City Research Activities.

3.4.3 The JRT and the JRC will (a) review the City Research Reports, (b) confer regarding the progress of the Research Program, (c) review relevant Deliverables provided and Results generated in the performance of the City Research Activities, (d) consider and advise on any technical issues that may arise, and (e) review and discuss the Biogen Research Activities performed by or on behalf of Biogen during the same period and the Results thereof; *provided* that Biogen will not be obligated to discuss the Biogen Research Activities with the JRT, the JRC or City in the event of a Change of Control of City involving a Third Party that is, at such time, Exploiting any Competitive Product.

3.5 **Data Packages and Candidate Selection**.

3.5.1 **RNAi Trigger Data Packages**. On a rolling basis, no later than [***] after the date that any Program RNAi Trigger has achieved the RNAi Trigger Selection Criteria, City will deliver to the JRT all information and data required to be included in the RNAi Trigger Data Package, as set forth in the Research Plan. The JRT will, within [***] of receipt of such data, identify whether any data required to be included in the RNAi Trigger Data Package, as set forth in the Research Plan, is missing, and City will promptly (and in any event within [***] after such identification) provide to the JRT all such missing data (if any). Thereafter, the JRT will prepare a data package with respect to such Program RNAi Trigger containing all data required to be included in the RNAi Trigger Data Package, as set forth in the Research Plan (each, an "**RNAi Trigger Data Package**"), for submission to the JRC, and will submit such RNAi Trigger Data Package to the JRC following completion thereof. The JRC will review and discuss each such RNAi Trigger Data Package.

3.5.2 **RNAi Trigger Candidate Selection**.

(a) Biogen will have the right, in its sole discretion, to select one or more Program RNAi Triggers for use in the generation of Program Conjugates under the Research Program (each, an "**RNAi Trigger Candidate Selection**"). On a Program RNAi Trigger-by-Program RNAi Trigger basis, Biogen may exercise such right by providing written notice to City of such selection at any time following the Effective Date and prior to the Development Candidate Selection Date.

(b) Promptly following each RNAi Trigger Candidate Selection, the Parties will commence the activities set forth in the Research Plan with respect to the generation of Conjugates with respect to such Program RNAi Trigger. City will cooperate with Biogen and provide reasonable assistance and technology transfers pursuant to Section 5.1.1 (Know-How Technology Transfer Obligations) and Section 5.1.3 (Technical Assistance during Research Term and Assistance Term) to enable Biogen to conduct the Biogen Research Activities to generate Conjugates with respect to each Program RNAi Trigger selected by Biogen.

3.5.3 **Development Candidate Data Packages**. On a rolling basis, no later than [***] after the date that any Program Conjugate has achieved the Development Candidate Selection Criteria, each Party will deliver to the JRT all information and data generated by such Party that is required to be included in the Development Candidate Data Package, as set forth in the Research Plan. The JRT will, within [***] of receipt of such data, identify whether any data required to be included in the Development Candidate Data Package, as set forth in the Research Plan, is missing, and the responsible Party will promptly (and in any event within [***] after such identification) provide to the JRT all such missing data (if any). Thereafter, the JRT will prepare a data package with respect to such Program Conjugate containing all data required to be included in the Development Candidate Data Package, as set forth in the Research Plan (each, a "**Development Candidate Data Package**"), for submission to the JRC, and will submit such Development Candidate Data Package to the JRC following completion thereof. The JRC will review and discuss each such Development Candidate Data Package.

3.5.4 **Development Candidate Selection**.

(a) Biogen will have the right, in its sole discretion, to select a Program Conjugate for potential further Exploitation pursuant to this Agreement ("**Development Candidate Selection**"), by providing written notice to City of such selection at any time during the Research Term (the date of such written notice, the "**Development Candidate Selection Date**"). Notwithstanding the foregoing, Biogen may deem the Development Candidate Selection Date to have occurred at any time during the Research Term upon written notice to City, without selecting any particular Program Conjugate for potential further Exploitation pursuant to this Agreement, and in such event all provisions of this Agreement will apply as if a Development Candidate Selection had occurred, as set forth in Section 3.5.4(b).

(b) If Biogen makes a Development Candidate Selection in accordance with this Section 3.5.4 (Development Candidate Selection), then, effective as of the Development Candidate Selection Date, (i) the restrictions set forth in Section 2.1.3 (Covenant of Biogen) will automatically terminate and be of no further force or effect and (ii) the provisions of Article 5 (Development, Manufacturing, Regulatory Matters, and Commercialization) and Article 6 (Financial Terms) will apply with respect to Biogen's Exploitation of the Licensed Compounds and Licensed Products. City will cooperate with Biogen and provide reasonable assistance and technology transfers pursuant to Section 5.1.1 (Know-How Technology Transfer Obligations), Section 5.1.2 (Manufacturing Technology Transfer Obligations) and Section 5.1.3 (Technical Assistance during Research Term and Assistance Term) to enable Biogen to advance the Development and Manufacture of the Licensed Compounds and Licensed Products. For the avoidance of doubt, notwithstanding Biogen's Development Candidate Selection with respect to a particular Program Conjugate, nothing in this Agreement will require Biogen to Exploit the specific Program Conjugate that was the subject of such Development Candidate Selection, or any Licensed Product containing such Program Conjugate.

3.6 **Costs of Research Activities**. Each Party will be solely responsible for all costs and expenses, including internal costs, incurred by such Party and its Affiliates in the conduct of the Research Activities.

3.7 **Performance of City Research Activities**. City will (a) provide all resources necessary for it to perform all City Research Activities and (b) perform, and ensure that its Affiliates and Subcontractors perform, all City Research Activities in good scientific manner, with reasonable care and skill and in accordance with all Applicable Laws (including, as applicable, GLP) and the terms of this Agreement. As set forth under this Agreement, City will use Commercially Reasonable Efforts to complete all City Research Activities set forth under the Research Plan in accordance with the performance timelines set forth in the Research Plan and to provide to Biogen all Deliverables and Results set forth in the Research Plan within the timeframes included therefor. During the Research Term, City will devote the efforts of suitably qualified and trained employees and research assistants capable of carrying out the City Research Activities set forth under the Research Plan to a professional workmanlike standard and will provide all necessary materials and facilities therefor.

3.8 **Records**.

3.8.1 During the Research Term and for three years thereafter, City will maintain records of all City Research Activities in sufficient detail and in good scientific manner, appropriate for scientific, patent, and regulatory purposes, which records will be complete and properly reflect all work done and results achieved in the performance of City Research Activities by or on behalf of City.

3.8.2 Once every 12 months, during normal business hours and upon reasonable notice of not less than [***], Biogen, at its own cost, through an independent consultant, selected by Biogen and reasonably acceptable to City, will have the right to inspect all records of City or its authorized Third Party designees that relate to the performance of City Research Activities by or on behalf of City as may be reasonably necessary to verify City's compliance of its obligations with respect to the City Research Activities hereunder. The consultant will enter a confidentiality agreement reasonably acceptable to City governing the use and disclosure of Biogen's information disclosed to such firm, and such firm will disclose to Biogen only whether information provided by City as described above was accurate and the specific details concerning any discrepancies, which information will be Confidential Information of City. Biogen will have the right to arrange for its employees or independent consultants and (sub)contractors involved in the performance of activities under this Agreement to (a) visit the offices and laboratories of City once every 12 months during normal business hours and upon reasonable notice of not less than [***], and (b) discuss with City's technical personnel and consultants the performance and progress of the City Research Activities and applicable Deliverables and associated Results in detail. After preparing or receiving the report for such visit or inspection, Biogen will provide City with a written summary of Biogen's findings of any deficiencies or other areas of remediation that Biogen identifies during any such visit or inspection. City will use Commercially Reasonable Efforts to remediate any such deficiencies within [***] after City's receipt of such report, at City's cost and expense. Notwithstanding any provision to the contrary set forth in this Agreement, Biogen will have the right to inspect such records more than once every 12 months in order to confirm satisfactory remediation by City of any such deficiencies or other areas of remediation that Biogen identifies during any such visit or inspection.

ARTICLE 4
GOVERNANCE

4.1 **Alliance Management**.

4.1.1 **Alliance Managers**. Each Party will appoint a single individual who possesses sufficient alliance management experience and is otherwise suitably qualified and that has the requisite decision-making authority, in each case, to act as such Party's alliance manager under this Agreement to support the Research Activities and the Research Program. [***]. Each Party may change the person designated as its Alliance Manager upon written notice (including via email notification) to the other Party, *provided* that such new Alliance Manager meets the requirements set forth in this Section 4.1.1 (Alliance Managers).

4.1.2 **Roles and Responsibilities**. The Alliance Managers will be responsible for (a) providing a single point of communication for seeking consensus both internally within the respective Party's organization and between the Parties regarding key strategy and planning issues, (b) assisting the coordination of teams across functional areas as needed, and (c) performing such other functions as expressly allocated to the Alliance Managers under this Agreement.

4.2 **Joint Research Committee**.

4.2.1 **Formation**. As soon as practicable, but no later than 30 days after the Effective Date, the Parties will establish a JRC to oversee the Research Activities with solely the functions described below. The JRC will be composed of representatives of Biogen and of City, each of whom will be an employee of the applicable Party and will have the appropriate experience, expertise, and decision-making authority to perform its responsibilities on the JRC. Each Party will designate in writing up to three such representatives for the JRC. The JRC may elect to vary the number of representatives from time to time. Either Party may replace its representatives with other individuals at any time upon prior written notice to the other Party (including via email notification), *provided* that such individuals meet the requirements set forth in this Section 4.2.1 (Formation). The JRC may invite other employees of either Party from relevant support functions to participate in the discussions and meetings of the JRC, *provided* that such participants will have no voting authority at the JRC.

4.2.2 **JRC Chairperson**. The JRC will have a chairperson, to be designated by Biogen. The chairperson will be responsible for calling and convening meetings, but will have no special authority over the other members of the JRC, and will have no additional voting rights.

4.2.3 **Meetings**. The JRC will meet in person (alternating between a site designated by each of City and Biogen) or by audio or video teleconference at least once every Calendar Quarter until the conclusion of the Research Term, or with such other frequency as the Parties may agree. Specific meeting dates will be determined by agreement of the Parties. Either Party may also call a special meeting of the JRC (by audio or video teleconference) upon at least 10 Business Days' prior written notice to the other Party if such Party reasonably believes that a significant matter must be addressed before the next regularly scheduled JRC meeting, and such Party will provide to the JRC materials reasonably adequate to enable an informed discussion of such matter by its members no later than three Business Days before the special meeting. Biogen will host the first regular meeting of the JRC at an agreed time and place no later than [***] days after the Effective Date. Each Party will be responsible for its own expenses relating to its attendance at or participation in JRC meetings. The Alliance Managers will jointly prepare and disseminate agendas and presentations no later than [***] Business Days in advance of each JRC meeting, unless otherwise agreed to by the Parties in writing. For each JRC meeting, the Alliance Managers will alternate which Alliance Manager will prepare meeting minutes (with Biogen's Alliance Manager to prepare meeting minutes for the first JRC meeting), and such Alliance Manager will disseminate the proposed minutes to the Alliance Manager of the other Party within [***] Business Days after each such meeting for the review, comment, and approval of such other Party. Such other Party will have [***] Business Days from receipt of such proposed minutes to review and approve, or provide comments on, such minutes in writing (such approval not to be unreasonably withheld, conditioned, or delayed); *provided* that any minutes will be deemed approved if no response is received from such other Party within [***] Business Days after the circulation thereof.

4.2.4 **Responsibilities**. The JRC will serve as a forum for exchanging information regarding the Research Program and will oversee and monitor the progress of the Research Activities. Within such scope the JRC will, subject to Section 4.2.5 (Decision-Making Authority) and Section 4.2.6 (Limits on Committee Decision-Making Authority):

(a) review and determine whether to approve amendments to the Research Plan, as described in Section 3.2.2 (Amendments to Research Plan);

(b) review and discuss the City Research Reports, the progress of the Research Activities and relevant Deliverables provided and Results generated in the performance thereof since the previous JRC meeting, as described in Section 3.4 (Reports of Research Activities);

(c) consider and advise on any technical issues that arise under the Research Activities;

(d) discuss and coordinate the technology transfers described in Section 5.1 (Technology Transfers);

(e) review and discuss each RNAi Trigger Data Package and Development Candidate Data Package;

(f) form such Other Committees as the JRC may deem appropriate;

(g) attempt to resolve any disputes on matters within the JRC's or any Other Committee's authority on an informal basis and in good faith prior to the institution of escalation to the Executive Officers or exercise of Biogen's final decision-making authority, as applicable; and

(h) perform such other functions as expressly allocated to the JRC under this Agreement or by the written agreement of the Parties.

4.2.5 **Decision-Making Authority**. A quorum for a meeting of the JRC will require the presence of at least one representative from each Party. The JRC will endeavor to reach decisions by consensus, with each Party, through its representative members of the JRC, having one vote, *provided* that a quorum must be present for any decision to be made by the JRC and each Party will require at least one representative to attend each JRC meeting. Subject to the terms of this Agreement, including Section 4.2.6 (Limits on Committee Decision-Making Authority), if the JRC is unable to reach consensus on any matter within its jurisdiction hereunder, then Biogen will have final decision-making authority with respect to such decision, *provided* that, with respect to any disputed matter at the JRC for which there is no agreement between the Parties, (a) within [***] Business Days following the JRC meeting from which such disputed matter arose, either Party may refer such matter to the Executive Officers for resolution and if the Executive Officers, after good faith discussions and negotiations, do not reach consensus on such disputed matter within [***] days after such matter is referred to them, then the Executive Officer of Biogen will have final decision-making authority with respect to such disputed matter and (b) if neither Party refers such disputed matter to the Executive Officers for resolution under clause (a) within [***] Business Days following the JRC meeting from which such disputed matter arose, [***].

4.2.6 **Limits on Committee Decision-Making Authority**. The JRC and each Other Committee will only have authority to determine, approve or resolve matters that it is expressly authorized to determine, approve or resolve under this Agreement. Notwithstanding any provision to the contrary set forth in this Agreement, neither the JRC nor any Other Committee will have the authority to: (a) amend or waive any provision of this Agreement or any of the Parties' rights or obligations hereunder; (b) determine either Party's compliance with the terms and conditions of this Agreement; (c) decide any issue in a manner that would conflict with the express terms and conditions of this Agreement; (d) decide any issue for which this Agreement expressly requires a Party's approval or consent; or (e) resolve any dispute between the Parties (other than matters that it is expressly authorized to resolve) under this Agreement.

4.2.7 **Discussion of Other siRNA Activities of City**. At least once per Calendar Quarter, City will update Biogen regarding City's general activities in the siRNA field and, upon Biogen's request, the Parties will discuss how they may further collaborate on activities in the siRNA field outside the scope of this Agreement. At Biogen's election, such quarterly update will occur either at a meeting of the JRC or at a separate meeting, and Biogen will determine which of Biogen's employees (which employees may or may not be members of the JRC) will be present for such quarterly update. Notwithstanding the foregoing, in no event will either Party disclose to the other Party any information that constitutes a trade secret under Applicable Law and that is not included in the license explicitly granted by such Party to the other Party hereunder in the course of any such discussions, unless the first Party has first provided to the other Party a general description of the nature of such information, and the other Party has agreed in writing to receive disclosure of such information.

4.3 **Other Committees**.

4.3.1 **Formation**. If agreed by the Parties, the JRC may form other committees or working groups as may be necessary or desirable to facilitate the activities within the scope of the JRC's authority under this Agreement (each such committee or working group, an "**Other Committee**"). A Party may refer any dispute on a matter within an Other Committee's authority to the JRC for resolution. No such Other Committees' authority (including decision-making authority) may exceed that specified for the JRC in this Article 4 (Governance).

4.3.2 **Joint Research Team**. As soon as practicable, but no later than 30 days after the JRC is established, the JRC will establish a JRT as an Other Committee with the purpose and authority to facilitate the Research Activities, including preparing and submitting to the JRC each RNAi Trigger Data Package and Development Candidate Data Package as set forth in Section 3.5.1 (RNAi Trigger Data Packages) and Section 3.5.3 (Development Candidate Data Packages), respectively. The JRT will meet in person (alternating between a site designated by each of City and Biogen) or by audio or video teleconference until the conclusion of the Research Term, at least once every month, or with such other frequency as the Parties may agree.

4.4 **Disbandment of the JRC and Other Committees**. The JRC (and all Other Committees formed by the JRC) will terminate immediately upon the later of: (a) completion of the technology transfers under Section 5.1 (Technology Transfers) to Biogen's reasonable satisfaction and (b) the expiration of the Research Term, in each case ((a) or (b)), with no further action by either Party.

ARTICLE 5
DEVELOPMENT, MANUFACTURING, REGULATORY MATTERS, AND COMMERCIALIZATION

5.1 **Technology Transfers**.

5.1.1 **Know-How Technology Transfer Obligations**.

(a) **Transfer of City Research Know-How**. During the Research Term, City will provide (and will cause its Affiliates and Subcontractors to provide) to Biogen copies of all City Research Know-How (including materials) that is necessary for the performance of any Biogen Research Activities, as more fully described in the Research Plan, in a timely manner as necessary to enable Biogen to conduct such Biogen Research Activities. Without limiting the foregoing, during the Research Term, City will provide (and will cause its Affiliates and Subcontractors to provide) to Biogen copies of all Deliverables that constitute City Research Know-How (including materials) that is made, conceived, discovered, or otherwise generated from the City Research Activities after such initial transfer of City Research Know-How and is necessary to enable Biogen to continue to perform any Biogen Research Activities, as determined by the JRC.

(b) **Transfer of Biogen Research Know-How**. During the Research Term, Biogen will provide (and will cause its Affiliates and Subcontractors to provide) to City copies of all Biogen Research Know-How (including materials) that is necessary for the performance of any City Research Activities, as more fully described in the Research Plan, in a timely manner as necessary to enable City to conduct such City Research Activities.

(c) **Transfer of Licensed Know-How following Research Term**. Promptly following the Development Candidate Selection Date, City will provide (and will cause its Affiliates and Subcontractors to provide) to Biogen all Licensed Know-How then-existing, including delivering copies of all Licensed Know-How (including materials) necessary or reasonably useful for Biogen to continue to Exploit any Licensed Compounds or Licensed Products that incorporate such Licensed Compounds, as determined by the JRC, to the extent not previously provided to Biogen pursuant to this Section 5.1 (Technology Transfers). Thereafter, City will continue to provide Biogen copies of all Licensed Know-How that is made, conceived, discovered, or otherwise generated after such initial transfer until the end of the Assistance Term.

5.1.2 **Manufacturing Technology Transfer Obligations**.

(a) In addition to the initial technology transfer set forth in Section 5.1.1 (Know-How Technology Transfer Obligation), at Biogen's request at any time during the Research Term or the Assistance Term, City will transfer, or have transferred, if applicable, to Biogen (or its designated Third Party manufacturer, pursuant to an appropriate confidentiality agreement with City) within 30 days following such request (i) all Licensed Know-How that is necessary or reasonably useful to enable Biogen to Manufacture (or have Manufactured) the Program RNAi Triggers, the Program Linkers, and any other components of the Program Conjugates, to the extent not previously transferred to Biogen under this Agreement, by providing copies or samples of relevant documentation, materials, and other embodiments of such Know-How, and by making available its qualified technical personnel on a reasonable basis to consult with Biogen with respect to such Know-How, and (ii) any then-existing materials (as well as any then-existing intermediates and impurities of such materials) used by City or its Affiliates or Manufacturing Subcontractors (each, a "**CMO**") in the Manufacture thereof and in City's Control. The JRC will coordinate and ensure that such transfer has been completed under this Section 5.1.2 (Manufacturing Technology Transfer Obligation).

(b) Without limiting the foregoing, during the Research Term and the Assistance Term, City will provide Biogen with the opportunity, upon Biogen's reasonable request during normal business hours, if and to the extent allowed under the agreement of City or its Affiliates with the applicable CMO, to observe the Manufacturing processes and procedures conducted by or on behalf of City for any Program RNAi Triggers, any Program Linkers, and any other components of the Program Conjugates (*e.g.*, review assays, batch records, and release processes and procedures) for the purpose of enabling Biogen (or a Third Party manufacturer designated by Biogen) to Manufacture the Program RNAi Triggers, the Program Linkers, and any other components of the Program Conjugates.

(c) At Biogen's request at any time after the Development Candidate Selection Date, City will (and will cause its Affiliates to) either: (a) if requested by Biogen and agreed by City, assign to Biogen any agreement of City or its Affiliates with a CMO for the Manufacture of any Program RNAi Triggers, any Program Linkers, and any other components of the Program Conjugates, *provided* that such assignment is not prohibited by such CMO agreement; or (b) notify such CMO on a confidential basis of the rights granted to Biogen under this Agreement, facilitate the introduction of Biogen and such CMO, and provide any authorization letters necessary or useful to enable Biogen to engage such CMO to Manufacture any Program RNAi Triggers, any Program Linkers, and any other components of the Program Conjugates for and on behalf of Biogen using the Manufacturing processes established at such CMO for any such Program RNAi Triggers, Program Linkers, and other components of the Program Conjugates.

5.1.3 **Technical Assistance during Research Term and Assistance Term**. In addition to providing copies of the Licensed Know-How in accordance with this Section 5.1 (Technology Transfers), during the Research Term and the Assistance Term, City will provide (and will cause its Affiliates and Subcontractors to provide) relevant personnel reasonably available to Biogen with all reasonable assistance required in order to transfer to Biogen such Licensed Know-How required to be produced pursuant to this Section 5.1 (Technology Transfers) in a timely manner. During the Research Term and the Assistance Term, City will make its (and will cause its Affiliates and Subcontractors to make their) relevant personnel reasonably available to Biogen, at reasonable times during City's normal business hours and upon reasonable prior notice, to answer any questions or provide instruction as reasonably requested by Biogen concerning the Licensed Technology in connection with its performance of the Biogen Research Activities and the Exploitation of the Licensed Compounds and Licensed Products that include such Licensed Compounds, in each case, as reasonably requested by Biogen.

5.2 **Development and Medical Affairs**. From and after the Development Candidate Selection Date, Biogen will have the sole and exclusive right to conduct, and will have sole discretion and decision-making authority with respect to, the further Research and Development of, and the performance of all Medical Affairs with respect to, the Licensed Compounds and Licensed Products, at its cost and expense. For the avoidance of doubt, nothing herein shall be construed to prevent Biogen from performing Research or non-clinical Development activities for any Program Conjugates, Licensed Compounds or Licensed Products prior to the Development Candidate Selection Date.

5.3 **Manufacturing**. From and after the Development Candidate Selection Date, Biogen will have the sole and exclusive right to undertake, and will have sole discretion and decision-making authority with respect to, all Manufacturing activities for the Development Candidate, Licensed Compounds, and Licensed Products, at its cost and expense. For the avoidance of doubt, nothing herein shall be construed to prevent Biogen from performing Manufacturing activities for any Program Conjugates, Licensed Compounds or Licensed Products prior to the Development Candidate Selection Date.

5.4 **Regulatory Activities**. From and after the Development Candidate Selection Date, Biogen will have sole control over, and will have sole discretion and decision-making authority with respect to, the preparation and submission of all Regulatory Submissions for all Licensed Products, at its cost and expense, including filing in its name or the name of its designee all MAAs and applications for obtaining, supporting, and maintaining Pricing and Reimbursement Approvals and Orphan Drug Designations for the Licensed Products. Without limiting the generality of Section 5.7 (Additional City Support), upon Biogen's request City will assist Biogen in its efforts to prepare and submit any Regulatory Submissions to obtain, support, or maintain Regulatory Approvals for the Licensed Products, including by preparing any written reports as reasonably needed in support of any IND for a Licensed Product and providing to Biogen, upon Biogen's request, all data, written reports, and other documentation Controlled by City or its Affiliates and related to any Licensed Product (which assistance and data generation must be in accordance with Applicable Law and requirements and standards by applicable Regulatory Authorities) as well as any necessary samples and materials. At Biogen's request, the Parties will agree upon a plan pursuant to which such assistance will be provided.

5.5 **Commercialization**. From and after the Development Candidate Selection Date, Biogen will have the sole and exclusive right to conduct, and will have sole discretion and decision-making authority with respect to, the Commercialization and other Exploitation of all Licensed Compounds and Licensed Products, at its cost and expense.

5.6 **Diligence Obligations**.

5.6.1 [***].

5.6.2 [***].

5.6.3 [***].

5.7 **Additional City Support**. The Parties understand and agree that, following completion of the City Research Activities, in addition to the cooperation and assistance to be expressly provided under Section 5.1 (Technology Transfers) and Section 5.4 (Regulatory Activities), from time to time it may be necessary for Biogen to seek assistance and cooperation from City in connection with the further Exploitation of Licensed Compounds and Licensed Products. City hereby agrees to use reasonable efforts to make relevant personnel reasonably available to Biogen, at reasonable times during City's normal business hours and upon reasonable prior notice, to answer any questions or provide instruction regarding CMC Activities of the Program RNAi Trigger and Program Linker as reasonably requested by Biogen or such other matters as agreed by the Parties, *provided* that Biogen shall pay City for the time of City's personnel spent in providing such assistance and cooperation in accordance with Section 5.9 (Allocation of Costs). Except as otherwise provided in Section 5.9 (Allocation of Costs), each Party will be responsible for its own costs of undertaking such activities.

5.8 **Reports**. From the Development Candidate Selection Date until the First Commercial Sale of any Licensed Product in any jurisdiction, [***], Biogen will provide to City a high-level summary of the status of Development and (if applicable) Commercialization activities with respect to the Licensed Compounds and Licensed Products hereunder. Such reports will be the Confidential Information of Biogen and subject to the terms and conditions set forth in Article 8 (Confidentiality).

5.9 **Allocation of Costs**. Each Party will be responsible for its own costs of undertaking the technology transfers and other assistance contemplated by Section 5.1 (Technology Transfers), Section 5.4 (Regulatory Activities), and Section 5.7 (Additional City Support), until the expiration of the Assistance Term. [***].

ARTICLE 6
FINANCIAL TERMS

6.1 **Upfront Payments**.

6.1.1 **Initial Upfront Payment**. In partial consideration of the licenses granted to Biogen hereunder, Biogen will pay to City a one-time, non-refundable, non-creditable, initial upfront payment of $16,000,000 no later than [***] Business Days after receipt of an invoice from City for such amount, which invoice will be issued upon or promptly after the Effective Date.

6.1.2 **Additional Upfront Payment**. In partial consideration of the licenses granted to Biogen hereunder, following the later of [***] if City meets the Payment Conditions, Biogen will pay to City a one-time, non-refundable, non-creditable, additional upfront payment of [***] (the "**Additional Upfront Payment**") no later than [***] days after receipt of an invoice from City for such amount, which invoice will be issued upon or promptly after such date that is the later of the foregoing clause (a) and (b).

6.2 **Milestone Payments**.

6.2.1 **Research Milestones**. [***] (each, a "**Research Milestone Payment**") [***] (each, a "**Research Milestone Event**") set forth in Table 6.2.1 below. [***] Research Milestone Event as set forth in Table 6.2.1 below. For the avoidance of doubt, [***].

Table 6.2.1 – Research Milestones

[***]	[***]	[***]
1. [***]	[***]	[***]
[***]	[***]	[***]
2. [***]	[***]	[***]

[***]

6.2.2 **Development Milestones**. [***] (each, a "**Development Milestone Payment**") [***] (each, a "**Development Milestone Event**") set forth in Table 6.2.2 below [***]. For the avoidance of doubt, [***].

Table 6.2.2 – Development Milestones	
Development Milestone Event	***Development Milestone Payment***
1. [***]	[***]
2. [***]	[***]
3. [***]	[***]
4. [***]	[***]
5. [***]	[***]
6. [***]	[***]

6.2.3 **Sales Milestones**. [***] (each, a "**Sales Milestone Payment**") [***] (each, a "**Sales Milestone Event**") set forth in Table 6.2.3 below [***] in a Calendar Year. Each of the Sales Milestone Payments set forth below will be payable [***] in which the corresponding Sales Milestone Event is achieved. [***].

Table 6.2.3 – Sales Milestones	
Sales Milestone Event	***Sales Milestone Payment***
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

6.3 **Royalties on Royalty-Bearing Products**.

6.3.1 **Royalty Payments**. Subject to the applicable adjustments to the royalties amounts owed pursuant to the provisions of Section 6.3.4 (Payment Adjustments), Biogen will pay to City royalties as a percentage of the Net Sales of the Royalty-Bearing Products, such percentage being in the amount of the applicable marginal royalty rates set forth in Table 6.3.1 below of the Aggregate Annual Net Sales of Royalty-Bearing Products.

Table 6.3.1– Marginal Royalty Rates	
Aggregate Annual Net Sales of Royalty-Bearing Products	***Marginal Royalty Rate (% of Aggregate Annual Net Sales)***
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

Each marginal royalty rate set forth in Table 6.3.1 above will apply only to that portion of the Aggregate Annual Net Sales of the Royalty-Bearing Products in the Territory during a given Calendar Year that falls within the indicated range.

6.3.2 **Royalty Term**. On a Royalty-Bearing Product-by-Royalty-Bearing Product and country-by-country basis, Biogen's obligation to pay royalties will be in effect only during the Royalty Term for the applicable Royalty-Bearing Product in the applicable country. Upon expiration of the Royalty Term for a given Royalty-Bearing Product in a given country: (i) no further royalties will be payable in respect of sales of such Royalty-Bearing Product in such country; and (ii) the licenses granted to Biogen under Section 2.1.2 (Exclusive License Grant to Biogen) with respect to the Exploitation of such Licensed Product in such country will automatically become fully paid-up, perpetual, irrevocable, and royalty-free. For clarity, only a single royalty will be payable as a result of one or more Royalty-Bearing Patent Claims Covering a Royalty-Bearing Product during the Royalty Term for such Royalty-Bearing Product in any country. For purposes of determining the Royalty Term for a Royalty-Bearing Product, all Royalty-Bearing Products containing the same Licensed Compound (regardless of form, dosage or formulation) will be considered one and the same Royalty-Bearing Product.

6.3.3 **Royalty Reports; Payments**.

(a) **Royalty Reports**. No later than [***] days after [***] during which any royalty payments are owed, Biogen will submit to City a written report of (i) Net Sales of Royalty-Bearing Products sold, in the currency for which such Royalty-Bearing Products were sold (and, if the currency of sale was not Dollars, also in Dollars), by or on behalf of Biogen and its Affiliates and Sublicensees during such Calendar Quarter, on a Royalty-Bearing Product-by-Royalty-Bearing Product and country-by-country basis, (ii) the royalty payments payable on such Net Sales, (iii) the number of units of such Licensed Product represented by such Net Sales, (iv) the gross sales received by Biogen, its Affiliates and Sublicensees for such Licensed Product, (v) the aggregate deductions from gross sales of such Licensed Product (which, for clarity, will not be itemized), (vi) the exchange rates used in calculating any of the foregoing, and (vii) any other payment adjustments provided for under Section 6.3.4 (Payment Adjustments) with respect to such Licensed Products.

(b) **Royalty Payments**. Royalties will be payable on a Calendar Quarter basis and Biogen will make any such royalty payments owed within [***] days after the end of the Calendar Quarter during which the applicable Net Sales of Royalty-Bearing Products occurred.

6.3.4 **Payment Adjustments**.

(a) [***]

(b) [***]

(c) [***]

(d) [***]

(e) [***]

(i) [***]

(ii) [***]

6.4 **Other Amounts Payable**. With respect to any amounts owed under this Agreement by one Party to the other for which no other invoicing and payment procedure is otherwise specified in this Agreement, each Party will provide an invoice, together with reasonable supporting documentation, to the other Party for such amounts owed. The owing Party will pay any undisputed amounts within [***] of receipt of the invoice, and any disputed amounts owed by a Party will be paid within 60 days of resolution of the dispute in accordance with Section 12.9 (Dispute Resolution).

6.5 **Payment Method**. All payments to be made between the Parties under this Agreement will be made in Dollars and may be paid by wire transfer in immediately available funds to a bank account designated by the receiving Party; *provided* that in no event will Biogen be obligated to make payments under this Agreement to any Affiliate of City that is organized in any jurisdiction outside of the U.S. without Biogen's prior written consent.

6.6 **Currency Exchange**. The rate of exchange to be used in computing the amount of currency equivalent in U.S. Dollars owed to a Party under this Agreement will be Biogen's then-current standard exchange rate methodology employed for the translation of foreign currency sales into U.S. Dollars in accordance with GAAP and consistently applied during the period.

6.7 **Late Payments**. If a Party does not receive payment of any undisputed sum due to it on or before the due date set forth under this Agreement, then simple interest will thereafter accrue on the sum due to such Party from the due date until the date of payment at a per-annum rate of one percentage point (one hundred basis points) over the then-current prime rate reported in The Wall Street Journal or the maximum rate allowable under Applicable Law, whichever is lower.

6.8 **Right to Offset**. Without limiting Biogen's rights under Section 2.5.2 (Default and Cure; Offset Right), each Party will have the right to offset any amount owed by the other Party to such first Party under or in connection with this Agreement, against any payments owed by such first Party to the other Party under this Agreement, *provided* that, prior to offsetting such amount, such first Party has provided written notice of such proposed offset to the other Party, and the other Party has not provided a notice of dispute with respect thereto within 30 days after receipt of such offset notice (or such dispute has been finally resolved in accordance with this Agreement). Any offset amount pursuant to this Section 6.8 (Right to Offset) may include any amount actually owed under an indemnification obligation by the other Party. Such offsets will be in addition to any other rights or remedies available under this Agreement and Applicable Law.

6.9 **Taxes**.

6.9.1 City hereby represents and warrants that it is (a) the legal and beneficial owner for all Tax purposes of all Payments made or to be made to it hereunder, (b) established and taxable (for any Tax purpose) solely in the United States, and (c) does not maintain any permanent establishment (within the meaning of any applicable Tax treaty) or other fixed place of business in any jurisdiction outside of the United States.

6.9.2 Except as otherwise provided in this Section 6.9 (Taxes), if Biogen is required to deduct and withhold Taxes under Applicable Law from the Payments made to City or City's assignee (such assignment solely as permitted under Section 12.1 (Assignment)), if applicable, (any such deduction and withholding, a "**Withholding Tax**"), and such Withholding Taxes cannot be eliminated or reduced under Applicable Law, Biogen will be permitted to deduct and withhold such Withholding Taxes, and any such amounts deducted or withheld by Biogen will be treated as having been paid to City (or its assignee) for purposes of this Agreement. Any such Withholding Taxes will be borne by City (or its assignee). If any such Withholding Tax is assessed against, or paid (but in each case not withheld) by Biogen, then City (or its assignee) will pay the relevant amount of such Withholding Tax to Biogen, except to the extent any interest or penalties are due as a result of any action or inaction by Biogen. Biogen represents that it does not expect to deduct or withhold any amounts from the upfront payments described in Section 6.1 (Upfront Payments), *provided* that City (or its assignee) provides a complete Form W-9. If City (or its assignee) may be entitled under any applicable Tax treaty to a reduction of rate of, or the elimination of, applicable Withholding Tax, then it may deliver to Biogen or the appropriate Governmental Authority the prescribed forms necessary to reduce the applicable rate of withholding or to relieve Biogen of its obligation to withhold Tax, and Biogen shall reasonably cooperate in taking any actions to reduce or eliminate any such withholding provided, that Biogen may deduct and delay from any payments owed by Biogen to City (or its assignee) pursuant to this Agreement an amount that Biogen reasonably estimates would be withheld if such actions to reduce or eliminate withholdings are rejected, and such amounts may be delayed until the conclusion of such tax authority ruling and provided further, that Biogen shall not be required to attend any tax court or similar tribunal proceeding in order to obtain such tax authority ruling. If City (or its assignee) timely delivers to Biogen a validly executed form establishing a reduced rate or exemption from withholding, Biogen will apply the reduced rate of withholding, or not withhold, as the case may be, *provided* that Biogen is in receipt of evidence of such, in a form reasonably satisfactory to Biogen and, for the avoidance of doubt, City (or its assignee) will, where appropriate, furnish Biogen with updated Form W-9 or W-8 BEN (or other appropriate form) at least every three years. If, in accordance with the foregoing, Biogen withholds any amount for Taxes, then it will pay to City (or its assignee) the balance (amount due less any Withholding Tax) when due, make timely payment (or cause its agent to make timely payment) to the proper taxing authority of the withheld amount, and send City (or its assignee) the best available proof of such payment within 60 days following that payment.

6.9.3 City has provided a properly completed and duly executed IRS Form W-9 to Biogen.

6.9.4 Each Party will be responsible for all Taxes imposed on such Party's net income, or on net income allocated to such Party under Applicable Law.

6.9.5 **VAT**.

(a) All Payments are exclusive of VAT. If VAT becomes payable under Applicable Law in respect of any Payment under this Agreement, then the payor of such Payment will pay such VAT at the applicable rate in respect of such Payment. In such case, VAT (if any) will be due and payable upon presentation of a valid VAT invoice (or, where there is no provision in the legislation for the jurisdiction concerned that a VAT invoice is required to be issued, a written demand containing such information as is customary in that jurisdiction). All Parties agree that they will reasonably cooperate to ensure the use of any VAT exemptions, zero ratings, reduced-ratings, suspensions, or other reliefs.

(b) In the event that Payments made to City (or its assignee) as payee become subject to VAT as a result of a determination by a tax authority or change in applicable Tax law after the date hereof, or City's (or its assignee's) becoming (or City's or City's assignee already being) established for VAT purposes outside of the United States after the Effective Date, then this Section 6.9.5(b) will apply notwithstanding anything to the contrary in Section 6.9.5(a). To the extent that any Payment is subject to a VAT reverse-charge mechanism under Applicable Law, the payor of such Payment or its Affiliate, as applicable, will self-assess VAT and, subject to input VAT deduction of such self-assessed VAT, remit such amount to the applicable Governmental Authority. Where the prevailing legislation requires the recipient to self-account for VAT, then Biogen covenants that it will correctly account for VAT in respect of the services received. City (or its assignee) agrees that it will raise a tax invoice (or equivalent document) to support the charge to VAT. For the purposes of VAT, City (or its assignee) collaboration activities and rights and licenses provided by City (or its assignee) under this Agreement will be considered to be taxed under Article 44 of Council Directive 2006/112/EC or any equivalent provision in the country of performance if performed outside the European Union and as such will be considered to be taxed for VAT purposes in the country of the recipient. Any supply of goods under this Agreement will be taxed in accordance with the prevailing VAT legislation. In the event that the local competent tax authority determines that VAT is chargeable on a supply of goods, where City (or its assignee) is the payee, City (or its assignee) in the first instance will undertake all reasonable steps to refute any such assertions by the local tax authority. Only once this process is completed may City (or its assignee) raise valid tax invoices for the additional VAT liability.

(c) Biogen will take all reasonable steps to recover any VAT liability on a supply of goods from the same local tax authorities by submitting regular claims. City will provide all necessary assistance to facilitate the recovery of this Tax. If the Tax cannot be recovered, then Biogen will be entitled to offset this Tax against any and all future payments to City or, where necessary, invoice City directly for these amounts, *provided*, *however*, that no such offset shall be applicable unless, and to the extent, City (or its assignee) is, becomes, or should have been established for VAT purposes outside of the United States.

(d) Each Party will be responsible for any penalties or interest accruing due to incorrect VAT treatment of the supplies of goods or services made by that Party or any failure to correctly account for VAT on any receipt of a supply of goods or services under this Agreement except where those penalties or interest arise as a result of the actions of the other Party, in which case that Party will be liable to reimburse the value of the penalties and interest.

(e) Each Party will be responsible for reporting its own transactions to the local tax authorities if required for VAT purposes. There will be no shared, mutual or otherwise collective VAT filings that may suggest that the Parties are anything other than separate operational entities for VAT purposes.

6.9.6 **Orphan Credit**. City will, at Biogen's reasonable expense, cooperate with Biogen in seeking any Tax exemption or credits that may be available to Biogen with respect to any Licensed Product, including a deduction under Section 250 of the U.S. Internal Revenue Code for foreign derived intangible income, the Tax credit available under section 45C of the U.S. Internal Revenue Code by reason of a Party's research and development expenditures contributing to the any compound under this Agreement being granted Orphan Drug Designation by the FDA and any U.S. Tax legislation enacted during the Term of this Agreement that could provide a material Tax benefit to either party or equivalent applicable law of another country but solely related to the Research Program and not to any other activity which is Biogen's responsibility. Biogen will hold any Orphan Drug Designation and accordingly will be the claimant and beneficiary of the Tax credit available under Section 45C of the U.S. Internal Revenue Code.

6.10 **Financial Audits**.

6.10.1 **Record Retention; Audits**. Biogen will keep (and will cause its Affiliates and Sublicensees to keep) complete and accurate books and records pertaining to the sale or other disposition of Licensed Products (the "**Biogen Records**") in reasonable detail to permit City to confirm the accuracy of all payments or costs reported, for at least the preceding [***]. Upon reasonable but in any case no less than [***] advance notice by City to Biogen and not more than [***] (in each case, except for cause), Biogen and its Affiliates will permit, and will cause their Sublicensees to permit, an independent certified public accounting firm of internationally recognized standing, selected by City and reasonably acceptable to Biogen, to have access during normal business hours to such of the records of Biogen and its Affiliates and, if applicable, their Sublicensees, as may be reasonably necessary to verify the accuracy of the applicable Biogen Records and the payments amounts owed to City hereunder, for any year ending not more than [***] prior to the date of such request. The accounting firm will enter a confidentiality agreement reasonably acceptable to Biogen governing the use and disclosure of Biogen's information disclosed to such firm, and such firm will disclose to City only whether information provided by Biogen to City as described above was accurate and the specific details concerning any discrepancies, which information will be Confidential Information of Biogen.

6.10.2 **Payment Discrepancies; Audit Disputes**. Any disputes with respect to the findings of such accounting firm may be referred by either Party to the dispute resolution procedure set forth in Section 12.9 (Dispute Resolution). If either Party is found to have been underpaid any amounts payable to such Party hereunder or to have overpaid to the other Party any amounts payable hereunder, then such first Party will be entitled to recover any undisputed discrepancy, plus interest as set forth in Section 6.7 (Late Payments), no later than [***] after delivery to the Parties of the final report of such accounting firm. The fees charged by such accounting firm will be paid by City; *provided* that if the audit discloses a net underpayment of amounts owed or overreporting of expenses by Biogen of more than [***] of total amounts owed or expenses reported by Biogen for any Calendar Year period covered by the audit, then Biogen will pay the reasonable fees and expenses charged by such accounting firm. City will treat all financial information disclosed by its accounting firm pursuant to this Section 6.10 (Financial Audits) as Confidential Information of Biogen for purposes of Article 8 (Confidentiality) of this Agreement, and will cause its accounting firm to do the same.

ARTICLE 7
REPRESENTATIONS, WARRANTIES, AND COVENANTS

7.1 **Mutual Representations and Warranties of the Parties**. Each Party represents and warrants to the other Party as of the Effective Date that:

7.1.1 it is duly organized, validly existing, and in good standing under the Applicable Law of the jurisdiction of its incorporation and has all requisite corporate power and authority to enter into this Agreement and to perform its obligations, in each case, under this Agreement;

7.1.2 the execution of this Agreement and the performance by such Party of its obligations hereunder have been duly authorized;

7.1.3 this Agreement has been duly executed and delivered on behalf of such Party, and is valid, legally binding, and enforceable against such Party in accordance with its terms;

7.1.4 the performance of this Agreement by such Party does not create a breach or default under any other agreement to which it is a Party;

7.1.5 the execution, delivery, and performance of this Agreement by such Party does not conflict with any agreement, instrument, or understanding, oral or written, to which it is a party or by which it is bound, nor violate any Applicable Law or regulation of any Governmental Authority; and

7.1.6 it has obtained all necessary government authorizations, consents, approvals, licenses, exemptions of, or filings or registrations with Governmental Authorities, under any Applicable Law currently in effect, that are or will be necessary for the transactions contemplated by this Agreement or any other agreement or instrument executed in connection herewith, or the performance by it of its obligations under this Agreement.

7.2 **Additional Representations and Warranties of City**. City further represents and warrants to Biogen that (a) except as set forth in the Initial Disclosure Schedule, as of the Effective Date, and (b) subject to Section 7.3.2 (Certain Clarifications), except as set forth in the Development Candidate Data Package Disclosure Schedule, as of the Development Candidate Bring-Down Date, in each case:

7.2.1 City has and will have the full right, power, and authority to grant all of the licenses and rights granted to Biogen under this Agreement;

7.2.2 City or its Affiliates solely own all rights, title, and interest in and to the Licensed Technology, free and clear of any lien, encumbrance, charge, mortgage, liability, or security interest, other than licenses granted in the ordinary course of business outside of the scope granted to Biogen under this Agreement;

7.2.3 all Licensed Patent Rights existing as of the Effective Date or the Development Candidate Bring-Down Date, as applicable, are listed on **[***]**. City is the sole and exclusive owner of the entire right, title, and interest in the Existing Licensed Patent Rights. All such Existing Licensed Patent Rights that are issued as of the Effective Date or the Development Candidate Bring-Down Date, as applicable, are subsisting and, to City's Knowledge, are not invalid or unenforceable, in whole or in part, and have been filed and maintained, to City's Knowledge, properly and correctly, and all applicable fees have been paid on or before the due date for payment. With respect to Existing Licensed Patent Rights that are pending applications owned or purported to be owned by City (and, with respect to any such application exclusively licensed to City, to City's Knowledge), such applications have been filed, to City's Knowledge, properly and correctly and are being diligently prosecuted in the respective patent offices in accordance with Applicable Law, and City and its Affiliates have presented all relevant references, documents, and information of which it is aware to the relevant patent examiner at the relevant patent office. To City's Knowledge, City does not own or have license rights to use any Patent Rights not listed [***] that are necessary or reasonably useful to (a) perform the Biogen Research Activities or (b) Exploit any Licensed Compound or Licensed Product. During the Term, upon Biogen's reasonable request, City will provide to Biogen an updated **[***]** that includes all then-existing Licensed Patent Rights;

7.2.4 there is no pending litigation, or litigation that has been threatened in writing to City or any of its Affiliates or, to City's Knowledge, to any party to any Upstream Agreement, that alleges, or any written communication to City or any of its Affiliates or, to City's Knowledge, to any party to any Upstream Agreement, alleging that City's practice of the Licensed Technology prior to the Effective Date or the Development Candidate Bring-Down Date, as applicable, has infringed, misappropriated, or otherwise violated, or would infringe, misappropriate, or otherwise violate, any of the Intellectual Property of any Third Party;

7.2.5 there are no pending claims, and no judgments or settlements against, or amounts with respect thereto owed by, City or any of its Affiliates, with respect to the Licensed Technology or, as of the Development Candidate Bring-Down Date, the Licensed Products, and City has not received written notice threatening any such claims, judgments, or settlements;

7.2.6 the practice by City or Biogen under the Licensed Technology, the performance of the Research Plan, and the Exploitation by City or Biogen (or their respective Affiliates or Sublicensees) of any Program RNAi Triggers as incorporated into any Licensed Compound or Licensed Product, in each case, as permitted under this Agreement, does not and will not misappropriate or otherwise violate any Know-How or other Intellectual Property (excluding any Patent Right) of any Third Party; *provided*, *however*, that City makes no representation or warranty hereunder (a) as to the Exploitation of any [***] component of any Licensed Compound or Licensed Product or (b) as of the Development Candidate Bring-Down Date, as to the Exploitation of any Modified Program RNAi Trigger or any other component of a Program Conjugate, Licensed Compound, or Licensed Product to the extent not created or provided by or on behalf of City or its Affiliates or (c) as to any Conjugate or other combination of the Program RNAi Trigger with any other component not created or provided by or on behalf of City of its Affiliates ((a) through (c) collectively, the "**Excluded Matters**"); *provided*, *further*, that, notwithstanding anything to the contrary, Sections 7.2.6 and 7.2.7 set forth the sole and exclusive representation and warranty regarding infringement, misappropriation, or violation of Intellectual Property rights of any Third Party by City;

7.2.7 (a) City's performance of the Research Plan does not and will not infringe any issued Patent Right of any Third Party or, if and when issued, any claim within any published patent application of any Third Party; [***] (b) the composition of matter of any Program RNAi Trigger does not and will not infringe any issued Patent Right of any Third Party or, if and when issued, any claim within any published patent application of any Third Party; [***] and (c) to City's Knowledge, the practice by City or Biogen under the Licensed Technology, Biogen's performance of the Research Plan, and the Exploitation by City or Biogen (or their respective Affiliates or Sublicensees) of any Program RNAi Triggers as incorporated into any Licensed Compound or Licensed Product, in each case, as permitted under this Agreement does not and will not infringe any issued Patent Right of any Third Party or, if and when issued, any claim within any published patent application of any Third Party; [***]

7.2.8 no Third Party has challenged, in a writing sent to City, City's counsel, or any City designated agent for service of process, the ownership, scope, duration, validity, enforceability, priority, or right to use any Existing Licensed Patent Rights (including, by way of example, through the institution of or written threat of institution of interference, inter partes review, reexamination, protest, opposition, nullity, or similar invalidity proceeding before the United States Patent and Trademark Office or any foreign patent authority or court);

7.2.9 to City's Knowledge, no Third Party is infringing, misappropriating, or otherwise violating, or threatening to infringe, misappropriate, or otherwise violate, the Licensed Technology or Biogen's rights thereto;

7.2.10 City has not previously assigned, transferred, conveyed, or granted any license or other rights under the Licensed Technology (or any other Know-How or Patent Rights owned or in-licensed by City or its Affiliates that would, if Controlled by City, constitute Licensed Technology) in any way that would conflict with or limit the scope of any of the rights or licenses granted to Biogen hereunder;

7.2.11 (a) City has obtained, or caused its Affiliates, as applicable, to obtain, assignments from the inventors of all inventorship rights to the Existing Licensed Patent Rights owned or purported to be owned by City, and all such assignments are valid and enforceable and (b) to City's Knowledge, the applicable licensor has obtained assignments from the inventors of all inventorship rights to the Existing Licensed Patent Rights in-licensed by City or its Affiliates, and all such assignments are valid and enforceable;

7.2.12 (a) the inventorship of the Existing Licensed Patent Rights is properly identified on each issued patent or patent application in the Existing Licensed Patent Rights owned or purported to be owned by City and (b) to City's Knowledge, the inventorship of the Existing Licensed Patent Rights is properly identified on each issued patent or patent application in the Existing Licensed Patent Rights in-licensed by City or its Affiliates;

7.2.13 the Upstream Agreements set forth on **[***]** constitute all agreements pursuant to which City or its Affiliates Control any Licensed Technology (other than agreements entered into by and between City (or its Affiliates) and its employees, consultants and other service providers regarding assignment of Intellectual Property in the ordinary course of business) or obtain rights under any other Intellectual Property that would, if Controlled by City, constitute Licensed Technology, and City has provided to Biogen a true and complete copy of each Upstream Agreement. Neither City nor any of its Affiliates is in breach of any existing Upstream Agreement, nor have they received or given any written notice of default or termination under any existing Upstream Agreement. City and its Affiliates have not performed or omitted to perform any act that could give any Person a right to terminate any Upstream Agreement. To City's Knowledge, (a) no facts or circumstances exist that would reasonably be expected to give rise to any such breach or termination and (b) no counterparty is in breach of any Upstream Agreement;

7.2.14 other than the Upstream Agreements set forth on **[***]** there are no Third Party agreements pursuant to which City Controls any of the Licensed Technology (other than agreements entered into by and between City (or its Affiliates) and its employees, consultants, and service providers regarding assignment of Intellectual Property in the ordinary course of business) or obtains rights under any other Intellectual Property that would, if Controlled by City, constitute Licensed Technology;

7.2.15 none of the Upstream Agreements (or any agreement to which City is a party) contains provisions that conflict with the rights and licenses granted to Biogen hereunder. There are no amounts that will be required to be paid by Biogen or its Affiliates or Sublicensees to a Third Party as a result of the Exploitation of Licensed Compounds or the Licensed Products in or for the Territory that arise out of any agreement to which City or any of its Affiliates is a party;

7.2.16 this Agreement constitutes a Sublicense Agreement that is a Direct Sublicense Agreement (each as defined in the OSIF License) under the OSIF License;

7.2.17 City and its Affiliates have taken commercially reasonable measures consistent with industry practices to protect the secrecy, confidentiality, and value of all Licensed Know-How that constitutes trade secrets under Applicable Law (including requiring all employees, consultants, and independent contractors to execute binding and enforceable agreements requiring all such employees, consultants, and independent contractors to maintain the confidentiality of such Licensed Know-How) and such Licensed Know-How has not been disclosed to, or, to City's Knowledge, discovered by, any Third Party except pursuant to such confidentiality agreements, and, to City's Knowledge, there has not been a breach of such confidentiality obligations by any party to such confidentiality agreements;

7.2.18 the Licensed Technology has not been created pursuant to, and is not subject to, any funding agreement with any Governmental Authority or any Third Party, and is not subject to the requirements of the Bayh-Dole Act or any similar provision of any Applicable Law, and any Patent Rights or Know-How arising out of the Research Program will not be subject to any such funding agreement or requirements. With respect to any Licensed Technology that is subject to the requirements of the Bayh-Dole Act, City has complied, and, to City's Knowledge, its (sub)licensees and licensors, as applicable, of such Licensed Technology have complied, with all obligations as applicable to City and, to City's Knowledge, its (sub)licensees and licensors, respectively pursuant to (a) all relevant funding agreement(s) between any Governmental Authority or other Person and City or City's applicable licensor; and (b) the Bayh Dole Act. Without limitation of the foregoing, with respect to any such Licensed Technology, City has taken, and, to City's Knowledge, its (sub)licensees and licensors, as applicable, of such Licensed Technology have taken, all actions necessary under the Bayh Dole Act to secure and retain ownership of such inventions and Patent Rights for City or City's applicable licensor, including by complying with all disclosure, election, filing, prosecution, maintenance, defense, reporting and employee agreement requirements as set forth in 37 C.F.R. § 401.14 and in the funding agreement between any Governmental Authority or other Person and City or City's applicable licensor, except for failure that has not resulted in such Governmental Authority or such Third Party that provided the funding retaining any claim of ownership or exercising any march-in rights to any such inventions and Patent Rights;

7.2.19 all information disclosed to Biogen by City relating to the Licensed Technology, and the materials and methods to be employed by City in the performance by or on behalf of City of the City Research Activities under the Research Plan and otherwise under this Agreement is, at the time of disclosure, accurate in all material respects;

7.2.20 neither City, nor its Affiliates, nor any of their employees, officers, Subcontractors, or consultants who have rendered services relating to the Licensed Technology or who are anticipated to conduct any activities under the Research Program has (a) ever been Debarred or is subject to debarment or convicted of a crime for which an entity or person could be Debarred or (b) ever been under indictment for a crime for which a person or entity could be so Debarred;

7.2.21 the representations and warranties of City in this Agreement and the information, documents, and materials furnished to Biogen in connection with its period of diligence prior to the Effective Date, do not, taken as a whole, (a) contain any untrue statement of a material fact (*provided* that, with respect to scientific knowledge, the truth of any statement will be deemed to be such truth as would be generally understood by a reasonable person in the scientific community as of the date that such statement was made) or (b) to City's Knowledge, omit to state any material fact necessary to make the statements or facts contained therein, in light of the circumstances under which they were made, not misleading. City has not knowingly or intentionally failed to furnish Biogen with any information requested by Biogen, or intentionally concealed from Biogen any information in its possession, including information relating to the Licensed Technology that City reasonably believes would be material to Biogen's decision to enter into this Agreement and undertake the commitments and obligations set forth herein; and

7.2.22 as of the Development Candidate Bring-Down Date, the data generated by or on behalf of City or its Affiliates and set forth in the applicable Development Candidate Data Package does not contain any untrue statement of a material fact (*provided* that, with respect to scientific knowledge, the truth of any statement will be deemed to be such truth as would be generally understood by a reasonable person in the scientific community as of the Development Candidate Bring-Down Date).

7.3 **Updated Disclosure Schedules**.

7.3.1 **Update as of Development Candidate Bring-Down Date**. Within 30 days of each Development Candidate Data Package Date, Biogen may request and, within ten days of [***] will deliver [***] an updated **[***]** and an updated **[***]** (collectively, the "**Development Candidate Data Package Disclosure Schedule**") or (b) a written statement certifying that no updates are required and all such schedules and representations and warranties, as qualified by the Initial Disclosure Schedule, remain true and correct as of the date of such delivery (the "**Development Candidate Bring-Down Date**"); **[***]**

7.3.2 **Certain Clarifications**. Any update in the Development Candidate Data Package Disclosure Schedule will not be deemed to amend or supplement the Initial Disclosure Schedule as it exists as of the Effective Date, including for purposes of the indemnification provisions under Section 10.1 (Indemnification by City) and therefore will not cure any prior failure to disclose. For all representations and warranties for which City does not provide an updated schedule pursuant to Section 7.3.1 (Update as of Development Candidate Bring-Down Date), or if City fails to provide any updates schedules or such statement in clause (b) of Section 7.3.1 (Update as of Development Candidate Bring-Down Date), as of the Development Candidate Bring-Down Date City will be deemed to have made the representations and warranties in Section 7.2 (Additional Representations and Warranties of City) to Biogen as of the Development Candidate Bring-Down Date without any additional qualifications other than those set forth in the Initial Disclosure Schedule. City acknowledges and agrees that any disclosure made in the Development Candidate Data Package Disclosure Schedule cannot cure a breach of any covenant or obligation of City hereunder, including Section 7.4 (Covenants of each Party) and Section 7.5 (Covenants of City).

7.4 **Covenants of Each Party**. City covenants to Biogen and Biogen covenants to City, that:

7.4.1 Each Party will, and will ensure that its Affiliates, Sublicensees, and Subcontractors, obtain written agreements from any and all Persons involved in or performing any Research Activities (a) if by or on behalf of City, that assign to City such Persons' rights, title, and interests in and to any Licensed Technology, Inventions, or Results created by such Persons in conducting such Research Activities, and (b) if by or on behalf of Biogen, that assign to Biogen such Persons' rights, title, and interests in and to any Inventions created by such Persons in conducting such Research Activities, in each case of the foregoing, prior to any such person performing such activities. Each Party, its Affiliates, Sublicensees, and Subcontractors will pay all required inventor reward and remuneration to its or their employees, contractors, or other Persons who perform Research Activities or who conceive, discovery, develop, or otherwise make any invention under or in connection with this Agreement; and

7.4.2 in the performance of activities under this Agreement, neither Party will employ or use any Person who: (a) has ever been Debarred or is subject to debarment or convicted of a crime for which an entity or person could be Debarred; or (b) has ever been under indictment for a crime for which a person or entity could be so Debarred.

7.5 **Covenants of City**. City covenants to Biogen that:

7.5.1 City and its Affiliates will (a) maintain Control of all Licensed Technology owned or in-licensed by City or its Affiliates as of the Effective Date or at any time during the Term and (b) not assign, transfer, encumber, or otherwise grant any Third Party any rights with respect to any Licensed Technology that would conflict with, limit the scope of, or adversely affect the rights granted to Biogen under this Agreement. For the avoidance of doubt, the foregoing clause (a) does not prohibit (i) transfer of ownership of any Licensed Technology so long as City or its Affiliate maintains Control of such Licensed Technology following such transfer or (ii) abandonment of a Patent Right or claim thereof in the ordinary course of prosecution, subject to compliance with the terms of Section 9.2 (Patent Prosecution and Maintenance);

7.5.2 City will not enter into any agreement or effect any corporate restructuring with any Affiliate or Third Party that is in conflict with the rights to be granted to Biogen under this Agreement as of the Effective Date and will not take any action that would prevent it from granting the rights to be granted to Biogen under this Agreement as of the Effective Date or that would otherwise conflict with or adversely affect the rights granted to Biogen under this Agreement;

7.5.3 City will not practice or use, in the course of the Research Program, any Intellectual Property owned or in-licensed by City or any of its Affiliates, or to which City or any of its Affiliates otherwise has access, in each case, that is necessary to Exploit any Licensed Compound or Licensed Product, unless such Intellectual Property is Controlled by City;

7.5.4 during the Research Term, City will maintain sufficient resources to perform the Research Activities for which it is responsible under this Agreement in accordance herewith;

7.5.5 City and its Affiliates will (a) not breach or be in default under any of its obligations under any Upstream Agreement, (b) satisfy all of its obligations under the Upstream Agreements, including any obligations arising due to the execution of, or activities under, this Agreement, (c) not do any act or make any omission that could give rise to a termination right of any other party to any such Upstream Agreement, and (d) not terminate any such Upstream Agreement, or amend or waive any provision thereof in any way that adversely affect the rights or licenses granted to Biogen hereunder, in case of this clause (d), without Biogen's prior written consent;

7.5.6 City and its Affiliates will furnish Biogen with copies of all notices and correspondence that City or its Affiliates receive in connection with any Upstream Agreement that are material or relevant to Biogen's rights or obligations under this Agreement within a reasonable period following City's or its Affiliates' receipt of the same;

7.5.7 with respect to any Licensed Technology that is subject to the requirements of the Bayh-Dole Act or any similar provision of any Applicable Law, City will comply with all obligations applicable to City in all material respects pursuant to (a) all relevant funding agreement(s) between any Governmental Authority or other Person and City or City's applicable licensor; and (b) the Bayh Dole Act. Without limitation of the foregoing, with respect to any such Licensed Technology, City will take, and will use diligent efforts to request that its (sub)licensees and licensors, as applicable, of such Licensed Technology takes, all actions necessary under the Bayh Dole Act to secure and retain ownership of such inventions and Patent Rights for City or City's applicable licensor, including by complying with all disclosure, election, filing, prosecution, maintenance, defense, reporting and employee agreement requirements as set forth in 37 C.F.R. § 401.14 and in the funding agreement between any Governmental Authority or other Person and City or City's applicable licensor, except for failure that would not result in such Governmental Authority or such Third Party that provided the funding retaining any claim of ownership or exercising any march-in rights to any such Licensed Technology; and

7.5.8 City and its Affiliates will not use any funding of any Governmental Authority to fund the Research Program.

7.6 **OSIF Matters**. Promptly following the Effective Date, City will initiate negotiations with OSIF to amend the OSIF License and achieve the Payment Conditions. [***]. During the Term unless and until the Biogen Acceptable OSIF Agreement Effective Date occurs, if the OSIF License terminates, City will use Commercially Reasonable Efforts to enforce and defend Biogen's sublicense survival rights under Section 9.5 of the OSIF License, at Biogen's request and direction.

7.7 **DISCLAIMER OF WARRANTIES**. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATION OR EXTENDS ANY WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE. IN PARTICULAR, NEITHER CITY NOR BIOGEN MAKES ANY REPRESENTATION OR EXTENDS ANY WARRANTY TO THE OTHER THAT THE RESEARCH PROGRAM WILL BE SUCCESSFUL OR THAT THE LICENSED COMPOUNDS OR LICENSED PRODUCTS WILL BE SUCCESSFULLY DEVELOPED OR COMMERCIALIZED HEREUNDER.

ARTICLE 8
CONFIDENTIALITY

8.1 **Non-Disclosure and Non-Use Obligation**. Except as otherwise expressly set forth herein, the Receiving Party (a) will, during the Term and for a period of ten years thereafter, keep the Confidential Information of the Disclosing Party confidential using at least the same degree of care with which the Receiving Party holds its own confidential information (but in no event less than a reasonable degree of care) and (b) will not (i) disclose such Confidential Information to any Person without the prior written approval of the Disclosing Party, except as expressly provided in Section 8.2 (Exemptions) or to its and its Affiliates' directors, officers, employees or agents, in each case, who (A) have a need to know such Confidential Information solely to the extent necessary to exercise such Party's rights or perform its obligations under this Agreement and (B) are similarly bound by confidentiality, non-disclosure, and non-use provisions at least as restrictive or protective of the Disclosing Party as those set forth in this Agreement, or (ii) use such Confidential Information for any purpose other than to exercise its rights or perform its obligations under this Agreement. The Receiving Party will use diligent efforts to cause any Persons to which Confidential Information is disclosed by the Receiving Party to comply with this Article 8 (Confidentiality), including the restrictions on use and disclosure set forth in this Section 8.1 (Non-Disclosure and Non-Use Obligation), and will be responsible for ensuring that such Persons maintain the Disclosing Party's Confidential Information in accordance with this Article 8 (Confidentiality). The Receiving Party will remain responsible and liable for any failure by any such Persons to treat such Confidential Information as required under this Article 8 (Confidentiality). Each Party will promptly notify the other Party of any misuse or unauthorized disclosure of the other Party's Confidential Information of which such Party becomes aware.

8.2 **Exemptions**. Notwithstanding the foregoing, information of a Disclosing Party will not be Confidential Information of such Disclosing Party to the extent that the Receiving Party can demonstrate through competent evidence that such information: (a) is already in the possession of the Receiving Party at the time of its receipt from the Disclosing Party and not through a prior disclosure by or on behalf of the Disclosing Party, as evidenced by contemporaneous written records; *provided* that the foregoing exemption will not apply with respect to Specified Confidential Information generated by the Receiving Party, (b) is generally available to the public before its receipt from the Disclosing Party, (c) became generally available to the public or otherwise part of the public domain after its disclosure by the Disclosing Party and other than through any act or omission of the Receiving Party or any of its Affiliates or disclosees in breach of this Agreement, including pursuant to Section 8.9.2 (Press Releases and Announcements), (d) is subsequently received by the Receiving Party or any of its Affiliates without obligation of confidentiality from a Third Party who had the right to disclose such information and who is not bound by any obligation of confidentiality with respect to such information, or (e) is developed independently by employees, subcontractors, consultants, or agents of the Receiving Party or any of its Affiliates without use of, reference to, or reliance upon the Disclosing Party's Confidential Information, as evidenced by contemporaneous written records; *provided* that the foregoing exemption will not apply with respect to Specified Confidential Information generated by the Receiving Party. Specific aspects or details of Confidential Information shall not be deemed to be within the public domain or in the rightful possession of the receiving Party merely because the Confidential Information is embraced by more general information in the public domain or in the rightful possession of the receiving Party. Further, no combination of features or disclosures will be deemed to fall within the foregoing exemptions merely because individual features are published or available to the general public or in the rightful possession of the Receiving Party unless the combination itself and principle of operation are published or available to the general public or in the rightful possession of the Receiving Party.

8.3 **Permitted Disclosures**. Notwithstanding the obligations of confidentiality and non-use set forth in this Article 8 (Confidentiality), the Receiving Party may disclose the Disclosing Party's Confidential Information solely to the extent that such disclosure is reasonably necessary in the following instances:

8.3.1 (a) the prosecution and maintenance of Patent Rights, including Licensed Patent Rights, Biogen [***] Patent Rights, and Joint Patent Rights, in each case, as contemplated by this Agreement; or (b) Regulatory Submissions and other filings with Governmental Authorities (including Regulatory Authorities), in the case of this clause (b), as necessary or reasonably useful for the Exploitation of a Licensed Compound or Licensed Product; *provided* that reasonable measures will be taken to assure confidential treatment of such information, to the extent such protection is available;

8.3.2 with respect to disclosure of the existence and terms and conditions of this Agreement (and no other Confidential Information of the Disclosing Party), to *bona fide* potential or actual investors, acquirers, lenders or other financial partners of such Party, and their respective attorneys, accountants, banks, investors, underwriters, and advisors, in each case, solely for the purpose of evaluating or carrying out such potential or actual investment, acquisition, debt transaction or other financial transaction; *provided* that, in each such case, (a) such Persons are bound by obligations of confidentiality, non-disclosure, and non-use at least as restrictive or protective of the Parties as those set forth in this Agreement; (b) any such disclosure is limited to the maximum extent practicable for the particular context in which it is being disclosed; (c) the term of such confidentiality obligation must be consistent with this Agreement or otherwise customary for such type and scope of disclosure; and (d) the Receiving Party will remain responsible and liable for any failure by any Person who receives Confidential Information pursuant to this Section 8.3.2 to treat such Confidential Information as required under this Article 8 (Confidentiality);

8.3.3 with respect to Biogen as the Receiving Party (or, solely in the case of permitted Subcontractors under Section 2.2.3 (Subcontracting by City and Biogen), with respect to City as the Receiving Party), disclosure to the Receiving Party's Sublicensees and Subcontractors under this Agreement, in each case, solely for the purpose of allowing the Receiving Party to exercise its rights and perform its obligations hereunder; *provided* that such disclosure is covered by terms of confidentiality and non-use at least as restrictive as those set forth herein;

8.3.4 in response to a valid court order of competent jurisdiction or other supra-national, federal, national, regional, state, provincial, or local governmental or regulatory body of competent jurisdiction or as otherwise required to comply with Applicable Law (whether generally or in pursuit of an application for listing of securities) including the United States Securities and Exchange Commission or equivalent foreign agency or regulatory body, or otherwise required by judicial or administrative process; *provided* that in each such event, as promptly as reasonably practicable and to the extent not prohibited by Applicable Law or judicial or administrative process, such Receiving Party will first have (a) notified the other Party of such required disclosure, (b) provided a draft of the disclosure to the other Party reasonably in advance of such filing or disclosure for the other Party's review and comment, which comments shall be considered in good faith, and (c) given such other Party a reasonable opportunity to quash such order or to obtain a protective order or confidential treatment requiring that the Confidential Information and documents that are the subject of such order are required to be disclosed be held in confidence by the applicable court or governmental or regulatory body or, if disclosed, be used only for the purposes for which the order was issued or such disclosure was required by Applicable Law; *provided*, *further*, that that the Confidential Information disclosed in response to such order or as required by Applicable Law shall be limited to that portion of the Confidential Information that is legally required to be disclosed in response to such order or by such Applicable Law. Confidential Information that is disclosed in order to comply with Applicable Law or by judicial or administrative process pursuant to this Section 8.3.4, in each case, will remain otherwise subject to the confidentiality and non-use provisions of this Article 8 (Confidentiality) with respect to the Party disclosing such Confidential Information pursuant to this Section 8.3.4, and such Party will take all steps reasonably necessary, including seeking of confidential treatment or a protective order for a period of at least 10 years (to the extent permitted by Applicable Law or Governmental Authority), to ensure the continued confidential treatment of such Confidential Information, and each Party will be responsible for its own legal and other external costs in connection with any such filing or disclosure pursuant to this Section 8.3.4.

8.3.5 to prosecute or defend litigation so long as there is 30 days' prior written notice given by the Receiving Party before filing or other disclosure, and to enforce Patent Rights in connection with the Receiving Party's rights and obligations pursuant to this Agreement;

8.3.6 in the case of City as the Receiving Party, to the licensor under any Upstream Agreement solely as necessary to comply with its obligations under such Upstream Agreement; *provided* that (a) such disclosure includes only such information as is expressly required to be disclosed to such licensor under such Upstream Agreement and (b) such disclosure is covered by terms of confidentiality and non-use at least as restrictive as those set forth herein; and *provided*, *further*, that in no event will such disclosure include any data or any sequence-level information relating to any Program RNAi Trigger, Program Linker, [***], Licensed Compound or Licensed Product, in each case, without Biogen's prior written consent;

8.3.7 with respect to disclosure of any Joint Technology that constitutes Confidential Information (excluding any Collaboration Know-How), in the case of either Party as the Receiving Party, to exercise its rights to Exploit such Joint Technology as permitted under this Agreement; *provided* that such disclosure is covered by terms of confidentiality and non-use at least as restrictive as those set forth herein; or

8.3.8 in the case of Biogen as the Receiving Party, otherwise to exercise its rights or perform its obligations under this Agreement; *provided* that such disclosure is covered by terms of confidentiality and non-use at least as restrictive as those set forth herein.

If and whenever any Confidential Information is disclosed in accordance with this Section 8.3 (Permitted Disclosures), such disclosure will not cause any such information to cease to be Confidential Information except to the extent that such disclosure results in a public disclosure of such information (other than by breach of this Agreement).

8.4 **Redacted Agreement**. Notwithstanding anything to the contrary in this Article 8 (Confidentiality), each Party will be entitled to file a copy of this Agreement (or portions of this Agreement or an abstract of the terms of this Agreement) with the SEC or other Governmental Authorities as required to comply with Applicable Law, *provided* that it initially files a redacted copy of this Agreement (or portions of this Agreement or an abstract of the terms of this Agreement) reviewed by the other Party ("**Redacted Agreement**") and, to the extent available, requests confidential treatment of the terms redacted from this Agreement for at least a reasonable period of time, in each case, as described in the following procedure. In the event of any such filing, each Party will (a) permit the other Party to review and comment upon a Redacted Agreement at least 10 Business Days in advance of its submission to the SEC or such other Governmental Authorities, (b) cooperate in good faith with and reasonably consider the other Party's comments thereon, as consistent with the then-current legal requirements with respect thereto (as determined based on the reasonable advice of such Party's outside counsel), (c) only disclose Confidential Information of the other Party that counsel reasonably advises is legally required to be disclosed, (d) promptly advise the other Party of any other substantive communications between it or its representatives with such Governmental Authority with respect to such confidential treatment request (as available) of such other Party's Confidential Information, (e) upon the written request of the other Party, request a reasonable extension of the term of the confidential treatment period upon the expiration thereof, where available, and (f) if such Governmental Authority requests any changes to the redactions set forth in the Redacted Agreement, use reasonable efforts to support the redactions in the Redacted Agreement as originally filed and, to the extent reasonably practicable, before agreeing to any changes to the redactions proposed in the Redacted Agreement, discuss any such changes to the redactions proposed in the Redacted Agreement with the other Party and consider in good faith the other Party's comments when deciding whether to agree to such changes. Each Party will be responsible for its own legal and other external costs in connection with any such filing, registration, or notification.

8.5 **Confidential Treatment**. Notwithstanding any provision to the contrary set forth in this Agreement, if a Party is required or permitted to make a disclosure of the other Party's Confidential Information pursuant to Section 8.3.4 or Section 8.3.5, then it will, to the extent not prohibited by Applicable Law or judicial or administrative process, except where impracticable, give reasonable advance notice to the other Party of such proposed disclosure and use reasonable efforts to secure confidential treatment of such information and will only disclose that portion of Confidential Information that is legally required to be disclosed as advised by its legal counsel. In any event, each Party agrees to take all reasonable action to avoid disclosure of Confidential Information of the other Party hereunder.

8.6 **Equitable Relief**. Given the nature of the Confidential Information and the competitive damage that could result to a Party upon unauthorized disclosure, use, or transfer of its Confidential Information to any Third Party, the Parties agree that monetary damages may not be a sufficient remedy for any breach of this Article 8 (Confidentiality). In addition to all other remedies, a Party will be entitled to seek specific performance and injunctive and other equitable relief as a remedy for any breach or threatened breach of this Article 8 (Confidentiality).

8.7 **Use of Name and Logo**. Except as otherwise permitted under Section 8.3 (Permitted Disclosures) and Section 8.9.2 (Press Releases and Announcements), neither Party will use the name, logo, or Trademark of the other Party or any of its Affiliates or any of its or their respective (sub)licensees/Sublicensees (or any abbreviation or adaptation thereof) in any label, press release, or product advertising, or for any other promotional purpose, without first obtaining the other Party's written consent.

8.8 **Residual Knowledge**. Notwithstanding any provision to the contrary set forth in this Agreement, a Receiving Party will not be liable for the use of Residual Knowledge, *provided* that such officer, director, agent, contractor, or employee (a) has not intentionally memorized such Residual Knowledge, (b) is not aware at the time of use that such Residual Knowledge is the Confidential Information of the Disclosing Party, and (c) has not been directed or encouraged by the Receiving Party to memorize such Residual Knowledge. Any use made by the Receiving Party of any such Residual Knowledge is on an "as is, where is" basis, with all faults and all representations and warranties disclaimed and at its sole risk.

8.9 **Publications**.

8.9.1 **Coordination**. City and Biogen will, from time to time and at the request of the other Party, discuss the general information relating to this Agreement that may be publicly disclosed; *provided*, *however*, that Biogen will have no obligation to consult with City with respect to any scientific publication or public announcement as described in Section 8.9.3 (Scientific Publications and Public Announcements).

8.9.2 **Press Releases and Announcements**.

(a) Except for any disclosure expressly permitted under Section 8.3.4 or, with respect to Biogen, Section 8.9.3 (Scientific Publications and Public Announcements), neither Party will make any public announcement regarding this Agreement or its subject matter without the other Party's prior written consent, except for either Party's references to the other as the licensor or licensee (as applicable) or a collaboration partner under this Agreement.

(b) After the issuance of any such press release or any other permitted public disclosure by a Party, the disclosing Party may make subsequent public disclosures reiterating such information without having to obtain the other Party's prior consent and approval so long as the information in such press release or other public announcement remains true, correct, and the most current information with respect to the subject matters set forth therein at such time and that the frequency and form of such disclosure are reasonable.

8.9.3 **Scientific Publications and Public Announcements**. For clarity and notwithstanding anything to the contrary in this Section 8.9 (Publications), from and after the Development Candidate Selection Date, nothing in this Agreement will prevent Biogen and its Affiliates and its and their respective Sublicensees from making any scientific publication or public announcement concerning the Results or Biogen's Exploitation of any Licensed Product (including research, development, and commercial information (including with respect to regulatory matters) regarding the Licensed Compounds and Licensed Products) under this Agreement; *provided* that, except as permitted under Section 8.3 (Permitted Disclosures), Biogen will not disclose any of City's Confidential Information in any such publication or announcement without obtaining City's prior written consent to do so, such consent not to be unreasonably withheld, conditioned, or delayed. Biogen may not submit such publication or make such announcement containing any Confidential Information of City that may affect City's ability to seek patent protection for any Invention for which City has the right to prosecute the applicable Patent Rights pursuant to this Agreement, until City is given a reasonable period of time, and in no event less than 30 days, to seek such patent protection for any such Invention in such publication or presentation which it believes is patentable. Except for any disclosure expressly permitted under Section 8.3.4, during the Term, City will not make any publication or public announcement concerning the Results or otherwise regarding the Exploitation of any Licensed Compounds or Licensed Product without Biogen's prior written consent. Each Party agrees to acknowledge the contributions of the other Party, and the employees of the other Party, in all publications as scientifically appropriate; *provided*, *however*, that either Party may decline to be named in any such publications and remain anonymous or unnamed in its sole discretion.

ARTICLE 9
INTELLECTUAL PROPERTY

9.1 **Ownership**.

9.1.1 **Background IP**. As between the Parties: (a) Biogen will retain sole ownership of all rights, title and interests in and to all Know-How and Patent Rights existing and owned by Biogen as of the Effective Date; and (b) City will retain sole ownership of all rights, title and interests in and to all Know-How and Patent Rights existing and owned by City as of the Effective Date.

9.1.2 **Inventions**.

(a) **[***]**

(b) **[***]**

(c) **[***]**

(d) **Inventorship**. All determinations of inventorship (with respect to Patent Rights and Know-How, whether patentable or not) under this Agreement will be made in accordance with U.S. patent law.

9.1.3 **Disclosure**. Biogen will promptly (and, in any event, prior to the filing of any patent application with respect to such Invention) disclose to City [***] City will promptly (and, in any event, prior to the filing of any patent application with respect to such Invention) disclose to Biogen [***]. Any such disclosure by either Party will include all the invention disclosures or other similar documents submitted to such Party by its or its Affiliates' employees, agents, or independent contractors relating thereto. Each Party will also promptly respond to reasonable requests from the other Party for additional information relating thereto.

9.1.4 **Covenants in Support of Assignment**. Each Party shall, and hereby does, assign to the other Party and will cause each of its and its Affiliates' officers, directors, employees, agents and contractors to assign to the other Party, in each case free and clear of all restrictions, liens or other encumbrances and without additional compensation, all such right, title and interest in and to any Inventions or other Know-How developed, created, conceived or reduced to practice hereunder as is necessary to fully effect the sole or joint ownership, as applicable, to the extent provided for in Section 9.1.2 (Inventions) (including in the event that U.S. law does not apply to the development, creation, conception or reduction to practice of any such Inventions or Know-How or any intellectual property rights therein). Each Party shall take (and cause its Affiliates, and their respective officers, directors, employees, agents and contractors to take) such further actions reasonably requested by the other Party, at the requesting Party's cost and expense, to evidence the assignments set forth in this Section 9.1.2 (Inventions) and to assist the other Party in obtaining Patent Rights and other intellectual property protection with respect to Inventions and other Know-How assigned to such Party hereunder, including executing further assignments, consents, releases and other commercially reasonable documentation and providing good faith testimony by affidavit, declaration, in-person or other proper means in support of any effort by the other Party to establish, perfect, defend or enforce its rights in any such Inventions or Know-How, or Patent Rights that claim such Inventions or Know-How.

9.1.5 **Standby License Grants**. If a Party is unable to assign the applicable interest in any Inventions or other Know-How, or applicable Patent Rights, to the other Party as required by Section 9.1.2 (Inventions), then such Party shall, and hereby does, grant (and shall cause its Affiliates to grant) to the other Party a royalty-free, fully paid-up, worldwide, perpetual, irrevocable license (with the right to grant sublicenses through multiple tiers) under such Inventions, Know-How and Patent Rights, which license shall be: [***].

9.1.6 **Joint Technology**. Subject to the terms and conditions set forth in this Agreement, including the licenses granted in Section 2.1.1(a), Section 2.1.1(b), and Section 2.1.2 (Exclusive License Grant to Biogen) and the provisions of Section 2.7 (Exclusivity) and Section 11.7.2 (Additional Effects of Termination), (a) the Parties will jointly own (each having an undivided one-half interest in) all Joint Technology and (b) each Party will be entitled to practice and Exploit the Joint Technology for all purposes on a worldwide and perpetual basis and to license such Joint Technology through multiple tiers, without consent of the other Party (and where consent is required by Applicable Law, such consent is deemed hereby granted) and without a duty of accounting to the other Party. Each Party will grant and hereby does grant to the other Party all further permissions, consents, and waivers with respect to, and all licenses under, the Joint Technology, throughout the world, necessary to provide the other Party with the foregoing rights of use and Exploitation of the Joint Technology. Without limitation, each Party will cooperate with the other Party if the Parties determine to apply for U.S. or foreign patent protection for any Joint Technology and will obtain the cooperation of the individual inventors of any such Joint Technology. Without limiting the foregoing, the Parties acknowledge and agree that this Agreement will be understood to be a "joint research agreement" (as defined in 35 U.S.C. § 100(h)) for the purposes of 35 U.S.C. §102(c) entered into for the purpose of researching, identifying and developing Program RNAi Triggers, Program Conjugates, Licensed Compounds and Licensed Products under the terms set forth herein.

9.2 **Patent Prosecution and Maintenance**.

9.2.1 **Right to File and Prosecute**.

(a) **Licensed Patent Rights**.

(i) During the Term, except as set forth in Section 9.2.1(a)(ii) and Section 9.2.1(a)(iii), and subject to Section 9.2.4 (Limitations on Prosecution Rights), City will have (x) the sole right (but not the obligation) to prepare, file, prosecute, and maintain the City Core Technology Patent Rights and (y) the first right (but not the obligation) to prepare, file, prosecute, and maintain the Licensed Patent Rights that are not City Core Technology Patent Rights, in each case ((x) and (y)), at City's sole expense using counsel of its choosing.

(ii) City will keep Biogen reasonably informed, through the Patent Counsel, as to material developments with respect to its preparation, filing, prosecution, issuance or maintenance of any Licensed Patent Rights that claim any Program RNAi Trigger or Program Linker or that may otherwise affect any Program RNAi Trigger, Program Linker, Program Conjugate, Licensed Compound or Licensed Product. In the event that any such matters may affect any Program RNAi Trigger, Program Linker or Program Conjugate, City will provide Biogen a reasonable opportunity to review and comment on substantive communications from any patent authority in the Territory regarding the Program Patent Rights, as well as drafts of any substantive filings or responses to be made to such patent authorities in advance of submitting such filings or responses. City will consider Biogen's comments regarding such communications and drafts in good faith but has no obligation to implement any such comments. In addition, City will provide Biogen with (x) copies of all final substantive filings and responses made to any patent authority with respect to the Program Patent Rights for which City is the Prosecuting Party, in a timely manner after submission thereof, and (y) notice at least forty-five (45) days in advance of abandoning any such Program Patent Rights.

(iii) Notwithstanding anything to the contrary in this Section 9.2.1 (Right to File and Prosecute), (x) during the Term, Biogen will have the first right (but not the obligation) to prepare, file, prosecute, and maintain any and all Licensed Patent Rights that claim any Program Conjugate and (y) during the Post-Selection Period, Biogen will have the first right (but not the obligation) to prepare, file, prosecute, and maintain any and all other Licensed Patent Rights that claim any Program RNAi Trigger, Program Linker, Licensed Compound, or Licensed Product, in each case ((x) and (y)), at Biogen's sole expense using counsel of its choosing. Biogen will keep City reasonably informed, through the Patent Counsel, as to material developments with respect to the preparation, filing, prosecution, issuance, and maintenance of the Program Patent Rights, and will provide City a reasonable opportunity to review and comment on substantive communications from any patent authority in the Territory regarding the Program Patent Rights, and on all drafts of any substantive filings or responses to be made to such patent authorities in advance of submitting such filings or responses. Biogen will consider City's comments regarding such communications and drafts in good faith but is not required to implement such comments. In addition, Biogen will provide City with (A) copies of all final substantive filings and responses made to any patent authority with respect to the Program Patent Rights in a timely manner following submission thereof and (B) notice at least forty-five (45) days in advance of abandoning any such Program Patent Rights.

(b) **Joint Patent Rights**. During the Term, Biogen will have the first right (but not the obligation) to prepare, file, prosecute, and maintain all Joint Patent Rights, at Biogen's sole expense using counsel of its choosing. Biogen will be the Prosecuting Party with respect to all Joint Patent Rights and will be responsible for and pay all future costs and expenses incurred in connection with the preparation, filing, prosecution, and maintenance of the Joint Patent Rights. Biogen will keep City reasonably informed, through the Patent Counsel, as to material developments with respect to the preparation, filing, prosecution, issuance, and maintenance of the Joint Patent Rights, and will provide City a reasonable opportunity to review and comment on substantive communications from any patent authority in the Territory regarding the Joint Patent Rights, and on all drafts of any substantive filings or responses to be made to such patent authorities in advance of submitting such filings or responses. Biogen will consider City's comments regarding such communications and drafts in good faith but is not required to implement such comments. In addition, Biogen will provide City with (i) copies of all final substantive filings and responses made to any patent authority with respect to the Joint Patent Rights in a timely manner following submission thereof and (ii) notice at least forty-five (45) days in advance of abandoning any such Joint Patent Rights.

(c) **Other Patent Rights**. Except as expressly set forth in this Section 9.2.1 (Right to File and Prosecute), during the Term, as between the Parties, each Party will have the sole right (but not the obligation), in its sole discretion, to prepare, file, prosecute, and maintain all Patent Rights owned by such Party or its Affiliates (including, with respect to Biogen, the Biogen [***] Patent Rights), at such Party's sole expense using counsel of its choosing.

9.2.2 **Step-In Rights**.

(a) **City's Rights**. If, during the Term, Biogen decides that it is no longer interested in the prosecution or maintenance of a particular Program Patent Right or Joint Patent Right filed by Biogen, then it will provide written notice to City of such decision within a reasonable time (at least [***] days prior to its abandonment) to allow City to be able to protect and maintain the applicable Program Patent Right or Joint Patent Right, which notice will indicate whether such decision was made for strategic prosecution reasons to protect the Licensed Products (*e.g.*, to improve the exclusivity for or revenue from a Licensed Product), [***]. In such case, unless such decision was made for any such strategic prosecution reasons, City may assume the prosecution and maintenance of such Patent Right at City's sole cost and expense, upon written notice to Biogen. In such event that City so elects to assume such prosecution and maintenance, (i) City will be responsible for 100% of the costs and expenses of its prosecution and maintenance of such Patent Right and (ii) City will have the right to prosecute and maintain such Patent Right in its sole discretion, using counsel of its choosing.

(b) **Biogen's Rights**. If, during Pre-Selection Period, City decides that it is no longer interested in the prosecution or maintenance of any Program Patent Right filed by City, then it will provide written notice to Biogen of such decision within a reasonable time (at least [***] days prior to its abandonment) to allow Biogen to be able to protect and maintain the applicable Program Patent Right. Biogen may, upon written notice to City, assume the prosecution and maintenance of such Patent Right at Biogen's sole cost and expense. In such event that Biogen so elects to assume such prosecution and maintenance, (i) Biogen will be responsible for 100% of the costs and expenses of its prosecution and maintenance of such Patent Right and (ii) Biogen will have the right to prosecute and maintain such Patent Right in its sole discretion, using counsel of its choosing.

9.2.3 **Cooperation and Coordination**. The non-Prosecuting Party will (a) obtain and deliver to the Prosecuting Party any necessary documents for the Prosecuting Party to exercise its rights to prepare, file, prosecute and maintain all Patent Rights pursuant to Section 9.2.1 (Right to File and Prosecute) or Section 9.2.2 (Step-In Rights), as applicable, (b) render all signatures that will be necessary in connection with all such patent filings, and (c) assist the Prosecuting Party in all other reasonable ways that are necessary for the issuance of those Patent Rights for which such Prosecuting Party is responsible, as well as for the preparation, prosecution, defense, and maintenance of such Patent Rights, in each case ((a) through (c)), upon the Prosecuting Party's request and at the Prosecuting Party's expense.

9.2.4 **Limitations on Prosecution Rights**. For the avoidance of doubt, (a) in no event will City prepare, file, prosecute or maintain any Patent Rights that (i) claim or Cover any [***] or (ii) claim any Program Conjugate, except in the case of City's exercise of a step-in right with respect to the prosecution of a Program Patent Right that claims a Program Conjugate, if and as permitted under Section 9.2.2(a) (City's Rights); and (b) in no event will Biogen prepare, file, prosecute, or maintain any Patent Rights that claim any City Core Technology Invention.

9.2.5 **OSIF Matters**. City will reasonably consult with Biogen in good faith prior to designating in writing to OSIF the foreign jurisdictions in which any OSIF Patent will be filed. In no event will City abandon any Patent Right that City has the right to prepare, file, prosecute or maintain under the OSIF Agreements, cease to make any payments with respect to any OSIF Patent, make any act or omission that would cause City to relinquish its rights under any OSIF Patent or otherwise waive any rights of City with respect to any OSIF Patent, in each case, without first reasonably consulting with Biogen in good faith.

9.3 **Patent Enforcement**.

9.3.1 **Third Party Infringement**. During the Term, the Parties will promptly inform each other in writing if either Party becomes aware of any suspected, threatened, or actual infringement by any Third Party of any Licensed Patent Rights or Joint Patent Rights, or any Patent Rights Controlled by Biogen with respect to any [***] (each, an "**Infringement**"). Each Party will provide any available evidence of such Infringement with such notification.

9.3.2 **Infringement Actions**.

(a) **Enforcement of Program Patent Rights and Joint Patent Rights**.

(i) **Biogen First Right**. During the Term, Biogen will have the first right, but not the obligation, to initiate an Infringement Action against an Infringement with respect to any Program Patent Rights or Joint Patent Rights, in Biogen's sole discretion and at Biogen's sole cost and expense, subject to the provisions of this Section 9.3.2 (Infringement Actions).

(ii) **City Step-In Rights**. During the Term, if Biogen does not initiate an Infringement Action against any Infringement with respect to any Program Patent Rights or Joint Patent Rights within 120 days after written notice of such Infringement is first provided by a Party under Section 9.3.1 (Third Party Infringement), then City will have the right to initiate and control an Infringement Action under the Program Patent Rights or Joint Patent Rights with respect to such Infringement by counsel of its own choosing, in City's own discretion and at City's cost and expense, and Biogen will have the right, at its own expense, to be represented in any such action by counsel of its own choosing; *provided* that, if Biogen notifies City during such 120-day period that it is electing in good faith not to institute any Infringement Action against such Infringement for strategic reasons, then City will not have the right to initiate and control any Infringement Action with respect to such Infringement.

(b) **Enforcement of Other Patent Rights**. During the Term, except as set forth in Section 9.3.2(a) (Enforcement of Program Patent Rights and Joint Patent Rights), each Party will have the sole right, but not the obligation, to initiate an Infringement Action under any Patent Rights solely owned by such Party, against any Infringement, in such Party's sole discretion and at such Party's sole cost and expense.

(c) **Procedures**. If the Party having the right to initiate an Infringement Action under this Section 9.3.2 (Infringement Actions) (the "**Initiating Party**") desires to initiate such Infringement Action but may not do so due to Applicable Law or regulation (even as the assignee or exclusive licensee of such infringed Patent Right), then such Initiating Party may require that the other Party join as a named party in such action or itself initiate such Infringement Action, at the Initiating Party's sole cost and expense. In such circumstance, the other Party hereby agrees to join as a named party in such action or itself initiate such Infringement Action, at the Initiating Party's direction. The Initiating Party will take the lead in the control and conduct of any such Infringement Action under this Section 9.3.2 (Infringement Actions) and will keep the other Party reasonably informed of any such Infringement Action, and the other Party will reasonably assist the Initiating Party in any such Infringement Action under this Section 9.3.2 (Infringement Actions) at the Initiating Party's expense. In no event may the Initiating Party settle any such Infringement Action in a manner that adversely affects the other Party's rights or interests or imposes any obligation on the other Party without such other Party's written consent, such consent not to be unreasonably withheld, delayed, or conditioned, *provided* that the foregoing will not be deemed to require the consent of such other Party in connection with a settlement of any action that would or may result in reduced payments under this Agreement.

(d) **Recoveries**. Any amount recovered in any Infringement Action under this Section 9.3.2 (Infringement Actions), including any amount recovered in any settlement of such Infringement Action, will first be used to reimburse each Party's costs and expenses with respect to such Infringement Action (which reimbursement will be on a *pro rata* basis to the extent such costs and expenses exceed such recovered amount. Thereafter, any additional amounts recovered will be retained by the Initiating Party, *except that* (i) any such amounts awarded to Biogen as compensation for lost sales or revenues with respect to a Royalty-Bearing Product [***] and (ii) any such amounts awarded to City in respect of any Infringement Action initiated by City with respect to a Program Patent Right or Joint Patent Right under Section 9.3.2(a)(ii) (City Step-In Rights) will be shared equally by the Parties.

9.4 **Infringement of Third Party Rights**.

9.4.1 **Notice**. If any Licensed Product becomes the subject of a Third Party's claim or assertion of infringement of a Patent Right within the Territory, the Party first having notice of the claim or assertion will promptly notify the other Party.

9.4.2 **Defense**. Except as otherwise provided in Article 10 (Indemnification), Biogen will have the first right, but not the obligation, to defend any such Third Party claim or assertion of infringement of a Patent Right with respect to any Licensed Product, at Biogen's expense. The non-defending Party will reasonably cooperate with the Party conducting the defense of the claim or assertion, including, if required to conduct such defense, furnishing a power of attorney.

9.4.3 **Settlement; Licenses**. Except as otherwise provided in Article 10 (Indemnification), neither Party will enter into any settlement of any claim described in this Section 9.4 (Infringement of Third Party Rights) that adversely affects the other Party's rights or interests or imposes any obligation on the other Party without such other Party's written consent, such consent not to be unreasonably withheld, delayed, or conditioned, *provided* that the foregoing will not be deemed to require the consent of such other Party in connection with a settlement of any action that would or may result in reduced payments under Section 6.3.4(c) (Third Party Payments). Each Party will have the right to decline to defend or to tender the defense of any claim described in this Section 9.4 (Infringement of Third Party Rights) upon reasonable written notice to the other Party, including if the other Party fails to agree to a settlement that the declining Party proposes and with respect to which such other Party has a consent right hereunder.

9.5 **Patent Oppositions and Other Proceedings**.

9.5.1 **Third Party Patent Rights**. If either Party desires to bring an opposition, action for declaratory judgment, nullity action, interference, declaration for non-infringement, reexamination, *inter partes* reviews, post-grant reviews, or other attack upon the validity, title, or enforceability of a Patent Right owned or controlled by a Third Party and having one or more claims that are specific to the Target and Cover a Licensed Compound or Licensed Product (except insofar as such action is a counterclaim to or defense of, or accompanies a defense of, a Third Party's claim or assertion of infringement under Section 9.4 (Infringement of Third Party Rights), in which case the provisions of Section 9.4 (Infringement of Third Party Rights) will govern), such Party will so notify the other Party and the Parties will promptly confer through the Patent Counsel to determine whether to bring such action, the strategy to be employed in connection with any such action, or the manner in which to settle such action, *provided* that Biogen will have the final decision-making authority with respect thereto. Unless the Parties otherwise agree in writing, Biogen will have the sole right, but not the obligation, to bring, at its own expense and in its sole control, such action in the Territory. The Party not bringing an action under this Section 9.5.1 (Third Party Patent Rights) will be entitled to separate representation in such proceeding by counsel of its own choice and at its own expense and will cooperate fully with the Party bringing such action. Any awards or amounts received in bringing any such action will be first allocated to reimburse the initiating Party's expenses in such action, and any remaining amounts will be allocated between the Parties as provided in Section 9.3.2(d) (Recoveries).

9.5.2 **Parties' Patent Rights**. If any Licensed Patent Right or Joint Patent Right becomes the subject of any proceeding commenced by a Third Party within the Territory in connection with an opposition, reexamination request, action for declaratory judgment, nullity action, interference, *inter partes* reviews, post-grant reviews or other attack upon the patentability, validity, title or enforceability thereof (a "**Third Party Patent Challenge**") (except insofar as such action is a counterclaim to or defense of, or accompanies a defense of, an action for infringement against a Third Party under Section 9.3 (Patent Enforcement) in which case the provisions of such section will govern), then the Prosecuting Party with respect to such Patent Right will control such defense at its own expense. The controlling Party will permit the non-controlling Party to participate in the proceeding to the extent permissible under Applicable Law, and to be represented by its own counsel in such proceeding, at the non-controlling Party's expense, and the non-controlling Party will cooperate fully with the controlling Party with respect to such Third Party Patent Challenge. If either Party, as the controlling Party, decides that it does not wish to defend against such action that it controls, then to the extent that the other Party has a step-in right under Section 9.2 (Patent Prosecution and Maintenance), such other Party will have a step-in right to assume defense of such Third Party action at its own expense. Any awards or amounts received in defending any such Third Party action will be (a) first be used to reimburse each Party's costs and expenses with respect to such Third Party Patent Challenge (which reimbursement will be on a *pro rata* basis to the extent such costs and expenses exceed such recovered amount, and (b) any remainder will be retained by the Party defending such action.

9.6 **Patent Listing**. Biogen will have the full and exclusive right, in its sole discretion, to determine and control the listing of any Patent Right (including any Licensed Patent Right or Joint Patent Right) in the "Purple Book" (or any successor thereto or equivalent thereof) in connection with the Regulatory Approval of any Licensed Product in the U.S., or in equivalent patent listings in any other country within the Territory.

9.7 **Patent Term Extensions**. Biogen will have the full and exclusive right and discretion to determine and control all filings of requests for Patent Term Extensions, including for any Licensed Patent Right or Joint Patent Right. All costs and expenses relating to the Patent Term Extensions will be born solely by Biogen. Upon request of Biogen and at Biogen's cost and expense, City will provide support, assistance, and all necessary documents, in full, executed form if needed, to Biogen for the purpose of supporting, filing, obtaining, and maintaining Patent Term Extensions.

9.8 **Common Interest Agreement**. If the Parties agree that a common interest agreement is reasonably necessary to govern their discussion of Patent Right matters under this Agreement, then the Parties will negotiate in good faith to enter into such agreement.

9.9 **Trademarks**. Biogen will have the right to brand the Licensed Products using Biogen-related Trademarks and any other Trademarks it determines appropriate, which may vary by country or within a country. Biogen will own all rights in such Trademarks and will have the sole right to register and maintain such Trademarks in the countries and regions that it determines, at Biogen's cost and expense.

9.10 **Patent Counsel**. Promptly following the Effective Date, each Party will designate patent counsel (and each Party may substitute such patent counsel from time to time) to coordinate with respect to the matters in this Article 9 (Intellectual Property) (the "**Patent Counsel**").

ARTICLE 10
INDEMNIFICATION

10.1 **Indemnification by City**. City will indemnify, defend, and hold harmless each Biogen Indemnified Party from and against any and all Liabilities that a Biogen Indemnified Party incurs in connection with one or more Third Party Claims against such Biogen Indemnified Party to the extent resulting from or arising out of:

10.1.1 the breach by City or its Affiliates or Subcontractors of this Agreement or any of its representations, warranties, or covenants hereunder;

10.1.2 the gross negligence, willful misconduct, or fraud by or on the part of any City Indemnified Party in the performance of City's obligations or exercising any of City's rights under this Agreement;

10.1.3 any claim to the extent arising out of the City Research Activities, [***]; or

10.1.4 the breach or alleged breach by City or any of its Affiliates or sublicensees of any provision of any Upstream Agreement or any act or omission giving rise to a termination right of the applicable licensor under any Upstream Agreement (other than an act or omission by Biogen or any of its Affiliates or Sublicensees that constitutes a breach of Biogen's obligations under this Agreement).

Notwithstanding the foregoing, City will have no obligation to indemnify any Biogen Indemnified Party to the extent that any Liabilities result from or arise out of (x) matters described under Section 10.2.1 or Section 10.2.2, or (y) the negligence of any Biogen Indemnified Party under this Agreement.

10.2 **Indemnification by Biogen**. Biogen will indemnify, defend, and hold harmless each City Indemnified Party from and against any and all Liabilities that a City Indemnified Party incurs in connection with one or more Third Party Claims against such City Indemnified Party to the extent resulting from or arising out of:

10.2.1 [***]

10.2.2 [***]

10.2.3 [***]

Notwithstanding the foregoing, Biogen will have no obligation to indemnify any City Indemnified Party to the extent that any Liabilities result from or arise out of (x) matters described under Section 10.1 (Indemnification by City) or (y) the negligence of any City Indemnified Party under this Agreement.

10.3 **Procedure**. Each Party will notify the other Party in writing promptly after it becomes aware of a claim for which indemnification may be sought hereunder. In case any proceeding (including any governmental investigation) will be instituted involving any Indemnified Party, such Indemnified Party will promptly notify the Indemnifying Party in writing, which notice will include the Liability or discovery of fact upon which such Indemnified Party intends to base a request for indemnification under this Article 10 (Indemnification) (including a description of the claim and the nature and amount of such Liability, to the extent known), but in no event will the Indemnifying Party be liable for any Liabilities to the extent resulting from any delay in providing such notice. Promptly after receipt of such notice, the Indemnifying Party and Indemnified Party will meet to discuss how to respond to any claims that are the subject matter of such proceeding. Unless the Parties mutually agree in writing otherwise within thirty (30) days after a Party notifies the other Party of any claim for which indemnification may be sought hereunder, the Indemnifying Party may assume and control, with the sole power to direct, the defense and settlement of such claim at its own expense with counsel selected by the Indemnifying Party and reasonably acceptable to the Indemnified Party. The Indemnified Party will cooperate fully with the Indemnifying Party in defense of any such Liability or Third Party Claim and provide to the Indemnifying Party copies of all papers and official documents received in respect of any such matter. In any such proceeding, the Indemnified Party will have the right to retain its own counsel, but the fees and expenses of such counsel will be at the expense of the Indemnified Party unless (a) the Indemnifying Party and the Indemnified Party will have agreed to the retention of such counsel or (b) the named parties to any such proceeding (including any impleaded parties) include both the Indemnifying Party and the Indemnified Party and representation of both Parties by the same counsel would be inappropriate due to actual or potential differing interests between them. The Indemnifying Party will not be liable for any settlement of any proceeding effected without its written consent, but, if settled with such consent or if there is a final judgment for the plaintiff, then the Indemnifying Party agrees to indemnify the Indemnified Party from and against any Liability by reason of such settlement or judgment and, in the case of a final judgment, without prejudice to the Indemnifying Party's right to contest the Indemnified Party's right to indemnification and subject to refund in the event the Indemnifying Party is ultimately held not to be obligated to indemnify the Indemnified Party. The Indemnifying Party will not, without the written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which the Indemnified Party is a party and indemnification could have been sought hereunder by the Indemnified Party, unless such settlement includes an unconditional release of the Indemnified Party from all liability on claims that are the subject matter of such proceeding.

10.4 **LIMITATION OF LIABILITY**.

10.4.1 EXCEPT (A) FOR THE WILLFUL MISCONDUCT OR FRAUD OF A PARTY, (B) FOR A PARTY'S BREACH OF ITS OBLIGATIONS UNDER [***] OR (C) TO THE EXTENT ANY SUCH DAMAGES ARE REQUIRED TO BE PAID TO A THIRD PARTY AS PART OF A CLAIM FOR WHICH A PARTY PROVIDES INDEMNIFICATION UNDER THIS ARTICLE 10 (INDEMNIFICATION), IN NO EVENT WILL EITHER PARTY HAVE ANY CLAIMS AGAINST OR LIABILITY TO THE OTHER PARTY WITH RESPECT TO ANY INDIRECT, PUNITIVE, SPECIAL, INCIDENTAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES (INCLUDING ANY CLAIMS FOR LOST PROFITS OR REVENUES), HOWEVER CAUSED AND UNDER ANY THEORY OF LIABILITY, WHETHER IN CONTRACT, TORT, NEGLIGENCE, BREACH OF STATUTORY DUTY, OR OTHERWISE ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT, EVEN IF SUCH PARTY HAS BEEN INFORMED OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES.

10.4.2 [***]

10.5 **Insurance**. Each Party will, at its own expense, procure and maintain during the Term and for a period of five years thereafter, insurance policies, including product liability insurance when applicable, adequate to cover its obligations hereunder and that are consistent with normal business practices of prudent companies similarly situated. Such insurance will not be construed to create a limit of a Party's liability with respect to its indemnification obligations under this Article 10 (Indemnification). Each Party will provide the other Party with written evidence of such insurance. Notwithstanding any provision to the contrary set forth in this Agreement, Biogen may self-insure, in whole or in part, the insurance requirements described above.

ARTICLE 11
TERM AND TERMINATION

11.1 **Term**. The term of this Agreement will commence upon the Effective Date and, unless earlier terminated pursuant to this Article 11 (Term and Termination) or Section 12.3 (Force Majeure), will continue in full force and effect, on a Licensed Product-by-Licensed Product and country-by-country basis, until the latest of (a) the date there is no Royalty-Bearing Patent Claim with respect to such Licensed Product in such country, (b) the expiration of all Regulatory Exclusivity, if any, for such Licensed Product in such country, and (c) ten years after First Commercial Sale of such Licensed Product in such country, with this Agreement expiring in its entirety upon the expiration of the last such date for the last Licensed Product (such period of effectiveness, the "**Term**"). Following expiration of the Term with respect to a Licensed Product in a country, the grant in Section 2.1.2 (Exclusive License Grant to Biogen) shall become unrestricted, fully-paid, royalty-free, perpetual, and irrevocable for such Licensed Product in such country.

11.2 **Termination for Failure to Make Selection**.

11.2.1 If Biogen has not provided written notice to City of at least one RNAi Trigger Candidate Selection on or prior to the RNAi Trigger Candidate Selection Outside Date, then (a) Biogen may terminate this Agreement immediately upon written notice to City and (b) City may terminate this Agreement upon [***] written notice to Biogen, if Biogen does not make at least one RNAi Trigger Candidate Selection during such [***] notice period.

11.2.2 If Biogen has not provided written notice to City of a Development Candidate Selection on or prior to the Development Candidate Selection Outside Date, then (a) Biogen may terminate this Agreement immediately upon written notice to City and (b) City may terminate this Agreement upon [***] written notice to Biogen, if Biogen does not make a Development Candidate Selection during such [***] notice period.

11.3 **Termination for Cause**.

11.3.1 **By Biogen**. If Biogen believes City is in material breach of this Agreement, then Biogen may deliver notice of such breach and Biogen's intent to exercise its termination right to City, which notice identifies the material breach and, if applicable, the actions or conduct that Biogen considers would be an acceptable cure of such material breach. If City does not cure such material breach within the applicable cure period set forth in Section 11.3.3 (Cure Periods for Material Breaches), then, subject to Section 11.3.4 (Disputes Regarding Material Breach), Biogen may terminate this Agreement in its entirety effective on written notice of termination to City.

11.3.2 **By City**. If City believes Biogen is in material breach of this Agreement, then City may deliver notice of such breach and City's intent to exercise its termination right to Biogen, which notice identifies the material breach and, if applicable, the actions or conduct that City considers would be an acceptable cure of such material breach. If Biogen does not cure such material breach within the applicable cure period set forth in Section 11.3.3 (Cure Periods for Material Breaches), then, subject to Section 11.3.4 (Disputes Regarding Material Breach), City may terminate this Agreement in its entirety effective on written notice of termination to Biogen.

11.3.3 **Cure Periods for Material Breaches**. For all material breaches other than a failure to make a payment as set forth in this Agreement, the allegedly breaching Party (the "**Defaulting Party**") will have [***] from receipt of a written notice of such material breach under Section 11.3.1 (By Biogen) or Section 11.3.2 (By City) ("**Breach Notice**") from the other Party (the "**Non-Defaulting Party**") to cure such material breach, and for any material breach arising from a failure to make a payment set forth in this Agreement, the cure period will be [***] from receipt of the Breach Notice (such [***] or [***] period, as applicable, the "**Cure Period**"). Notwithstanding the foregoing, if such material breach (other than a material breach arising from a failure to make a payment) cannot be reasonably cured during the foregoing Cure Period, then the Defaulting Party may submit to the Non-Defaulting Party a reasonable cure plan to remedy such material breach that is reasonably acceptable to the Non-Defaulting Party, and upon such submission, the applicable Cure Period will automatically be extended for so long as the Defaulting Party continues to use commercially reasonable efforts to cure such material breach in accordance with such cure plan, but for no more than [***] from receipt of the Breach Notice (subject to the dispute resolution procedures set forth in Section 11.3.4 (Disputes Regarding Material Breach)).

11.3.4 **Disputes Regarding Material Breach**. If the Defaulting Party disputes in good faith the occurrence, materiality, or cure of an alleged material breach identified by the Non-Defaulting Party in a Breach Notice, then the issue of whether the Non-Defaulting Party may properly terminate this Agreement on expiration of the applicable Cure Period will be resolved in accordance with Section 12.9 (Dispute Resolution). If, as a result of such dispute resolution process, it is determined that the Defaulting Party committed an uncured material breach of this Agreement, and the Defaulting Party does not cure such material breach within [***] (or [***] in the case of a payment breach) after the date of such determination (the "**Additional Cure Period**"), then such termination will be effective as of the expiration of the Additional Cure Period. This Agreement will remain in full force and effect during the pendency of any such dispute resolution proceeding, and the Cure Periods set forth in Section 11.3.3 (Cure Periods for Material Breaches) and any Additional Cure Period, in each case, will be tolled during any such dispute resolution proceeding. Any such proceeding will not suspend any obligations of either Party hereunder, and each Party will use reasonable efforts to mitigate any damages during pendency of such proceeding. If, as a result of such dispute resolution proceeding, it is determined that the Defaulting Party did not commit a material breach (or such material breach was cured in accordance with this Section 11.3 (Termination for Cause)), then no termination by the Non-Defaulting Party in respect of such alleged breach will be effective, and this Agreement will continue in full force and effect.

11.4 **Termination by Biogen for Insolvency of City**. Biogen may terminate this Agreement in its entirety in the event that City (a) files for protection under bankruptcy or insolvency laws, (b) makes an assignment for the benefit of creditors, (c) appoints or suffers appointment of a receiver or trustee over substantially all of its property that is not discharged within [***] after such appointment, (d) passes any board resolution authorizing any dissolution or liquidation (other than in connection with a sale of assets to another business that intends to carry on City's business and that assumes this the Agreement in accordance with Section 12.1 (Assignment), (e) has an involuntary case filed against it under any bankruptcy or insolvency law that is not discharged within [***] of the filing, or (f) admits in writing its inability generally to meet its obligations as they fall due in the ordinary course of its business (each of (a) through (f), an "**Insolvency Event**").

11.5 **Rights in Bankruptcy**. The Parties intend to take advantage of the protections of Section 365(n) (or any successor provision) of the U.S. Bankruptcy Code or any analogous provisions of Applicable Law in any other country or jurisdiction to the maximum extent permitted by Applicable Law. All rights and licenses now or hereafter granted by City to Biogen under or pursuant to this Agreement are, for all purposes of Section 365(n) of the U.S. Bankruptcy Code, but only to the extent they constitute licenses of "intellectual property" as defined in Section 101 of the U.S. Bankruptcy Code, shall be deemed to be licenses of rights to "intellectual property" for purposes of Section 365(n) of the U.S. Bankruptcy Code or any analogous provisions of Applicable Law in any other country or jurisdiction. Upon the occurrence of an Insolvency Event, Biogen, as licensee of such rights under this Agreement, shall retain and may fully exercise all of its rights and elections under the U.S. Bankruptcy Code or any analogous provisions of Applicable Law in any other country or jurisdiction, including the right to obtain the Intellectual Property from another entity. Without limiting the generality of the foregoing, the Parties intend and agree that any sale of City's assets under Section 363 of the U.S. Bankruptcy Code shall be subject to Biogen's rights under Section 365(n), that Biogen cannot be compelled to accept a money satisfaction of its interests in the Intellectual Property licensed pursuant to this Agreement, and that any such sale therefore may not be made to a purchaser "free and clear" of Biogen's rights under this Agreement and Section 365(n) without the express, contemporaneous consent of Biogen. Further, each Party agrees and acknowledges that all payments by Biogen to City under this Agreement, other than royalty payments under Section 6.3 (Royalties on Royalty-Bearing Products), shall not constitute royalties within the meaning of Section 365(n) of the U.S. Bankruptcy Code or relate to licenses of Intellectual Property under this Agreement:

11.5.1 City will, during the Term, create and maintain current copies or, if not amenable to copying, detailed descriptions or other appropriate embodiments, to the extent commercially feasible, of all Intellectual Property licensed to Biogen under this Agreement (collectively, "**IP Embodiments**"). Each Party acknowledges and agrees that "embodiments" of Intellectual Property within the meaning of Section 365(n) of the U.S. Bankruptcy Code may include: laboratory notebooks, cell lines, product samples, and inventory, research studies and data, Regulatory Approvals (and applications for Regulatory Approval) and rights of reference therein, the Licensed Technology, Results, tangible information (including Licensed Know-How and Joint Know-How), and all information related to the Licensed Technology. Upon the occurrence of an Insolvency Event, Biogen shall be entitled to a complete duplicate of (or complete access to, as appropriate) all such IP Embodiments, which, if not already in Biogen's possession, shall be promptly delivered to it upon Biogen's written request (x) after an Insolvency Event, unless City continues to perform all of its obligations under this Agreement, or (y) if not delivered pursuant to clause (x) above because City continues to perform, upon a final, unappealable decision to reject this Agreement by or on behalf of City by the receiver or trustee appointed to City for such Insolvency Event. Unless and until City rejects this Agreement, City shall perform all of its obligations under this Agreement. City shall not interfere with the rights of Biogen to intellectual property as set forth in this Section 11.5 (Rights in Bankruptcy), or any agreement supplemental to this Agreement, including the right to obtain the intellectual property (or such embodiments) from another entity. If City provides to Biogen any of the Intellectual Property licensed hereunder (or any embodiment thereof) pursuant to this Section 11.5 (Rights in Bankruptcy), Biogen shall have the right to perform City's obligations pursuant to this Agreement with respect to such Intellectual Property, but neither such provision nor such performance by Biogen shall release City from liability resulting from rejection of this Agreement or the failure to perform such obligations.

11.5.2 All rights, powers, and remedies of Biogen provided in this Section 11.5 (Rights in Bankruptcy) are in addition to and not in substitution for any other rights, powers, and remedies now or hereafter existing at law or in equity (including the U.S. Bankruptcy Code) in the event of the commencement of a case under the U.S. Bankruptcy Code with respect to City. The Parties intend the following rights to extend to the maximum extent permitted by Applicable Law, and to be enforceable under U.S. Bankruptcy Code Section 365(n):

(a) the right of access to any intellectual property (and all embodiments thereof) of City, or any Third Party with whom City contracts to perform an obligation of City pursuant to this Agreement, and, in the case of such Third Party, that is necessary or reasonably useful for the Exploitation of any Licensed Compounds or Licensed Products or the exercise of any other rights explicitly granted to Biogen under this Agreement;

(b) the right to contract directly with any Third Party to complete the contracted work; and

(c) the right to cure any default under any such agreement with a Third Party and set off the costs thereof against amounts payable to City under this Agreement.

11.6 **Termination for Convenience by Biogen**. Biogen may, in its sole discretion, terminate this Agreement on a country-by-country and Licensed Product-by-Licensed Product basis or in its entirety, for convenience upon [***] prior written notice to City.

11.7 **Effects of Termination**.

11.7.1 **In General**. Upon any termination (but not expiration) of this Agreement in its entirety (or, in the case of termination of this Agreement with respect to a Licensed Product or a country, solely with respect to such terminated Licensed Product or terminated country):

(a) **Wind-Down**. During the applicable termination notice period, City will not commence any new City Research Activities after City's receipt or provision (as applicable) of such notice of termination and the Parties will begin to wind-down their respective activities under this Agreement. The JRC will coordinate the wind-down of each Party's efforts under this Agreement, or, if the JRC has disbanded, then the Parties will establish an appropriate committee to coordinate such wind-down, and the Parties will complete such wind-down in an orderly and reasonable manner.

(b) **Termination of Rights and Licenses**. Without limiting the effect that such termination will have on any provisions of this Agreement, other than as expressly set forth herein, including those provisions that this Agreement expressly provides will survive such termination and subject to Section 2.2.2 (Survival of Sublicenses), all rights and licenses granted to each Party, except for licenses granted pursuant to Section 9.1.5 (Standby License Grants) and rights with respect to the Joint Technology granted pursuant to Section 9.1.6 (Joint Technology), will terminate; *provided* that such licenses will continue solely as necessary for the Parties to complete the orderly wind-down of their activities under this Agreement in accordance with Applicable Law and as otherwise permitted in accordance with Section 11.7.1(a) (Wind-Down) and Section 11.7.1(d) (Sell-Off Right).

(c) **Termination of Payment Obligations**. Subject to Section 11.7.1(d) (Sell-Off Right), all payment obligations under this Agreement will terminate, other than those that are accrued and unpaid as of the effective date of such termination. For any payment obligations that are accrued and unpaid as of the effective date of termination, an invoice must be provided no later than [***] after the effective date of termination.

(d) **Sell-Off Right**. Biogen will have the right to sell or otherwise dispose of the Licensed Products on hand at the time of such termination or in the process of Manufacturing; *provided* that any revenue obtained from such disposal will be treated as Net Sales and the provisions of Article 6 (Financial Terms) will apply to such Net Sales.

(e) **Return of Confidential Information**. Upon the effective date of termination of this Agreement in its entirety, the Receiving Party will destroy (or, as directed by the Disclosing Party, return) all Confidential Information of the Disclosing Party to the Disclosing Party that is in the Receiving Party's possession or control, except any Confidential Information required to continue to exercise a Party's rights that survive termination of this Agreement (or certify such destruction in writing to the Disclosing Party, as applicable); *provided*, *however*, copies may be retained and stored solely for the purpose of determining its obligations under this Agreement, subject to the non-disclosure and non-use obligation under Article 8 (Confidentiality). In addition, the Receiving Party will not be required to return or destroy Confidential Information contained in any computer system back-up records made in the ordinary course of business; *provided* that such Confidential Information may not be accessed without the Disclosing Party's prior written consent or as required by Applicable Law.

11.7.2 **Additional Effects of Termination**. If this Agreement is terminated in its entirety by either Party for any reason (but not, for the avoidance of doubt, if this Agreement expires), then, in addition to those general effects set forth in Section 11.7.1 (In General), each Party covenants and agrees that, following the effective date of termination of this Agreement, it will not, and will cause its Affiliates not to, [***]. If this Agreement is terminated with respect to one or more Licensed Products or one or more countries, this Section 11.7.2 (Additional Effects of Termination) will apply with respect to the Program Conjugates contained in such terminated Licensed Products in such terminated countries. [***].

11.8 **Alternative Remedy in Lieu of Termination**. Each Party stipulates and agrees that the other Party's decision to enter into this Agreement and perform its obligations hereunder (including, as to Biogen, to invest in the Research Program and the Development of the Licensed Compounds and Licensed Products) is premised upon the assumption that the other Party will perform its obligations under this Agreement, and that a material breach of the Agreement by such other Party will undermine the economic fundamentals of the transaction for the Party, and that in such event such Party's damages arising from the other Party's breach may be of uncertain amount and difficult to prove. Accordingly, if Biogen has the right to terminate this Agreement pursuant to Section 11.3.1 (By Biogen) as a result of a material breach by City of Section 2.7 (Exclusivity), Article 8 (Confidentiality), Section 7.5.1, Section 7.5.2 (but only with respect to the rights to Licensed Technology granted to Biogen), or Section 7.5.5, then, subject to Section 11.3.4 (Disputes Regarding Material Breach), Biogen may, in its sole discretion and on written notice provided to City, which notice will be provided to City prior to expiration of the applicable Cure Period, if applicable (as it may be extended pursuant to Section 11.3.3 (Cure Periods for Material Breaches) or Section 11.3.4 (Disputes Regarding Material Breach)), elect to continue this Agreement as modified by this Section 11.8 (Alternative Remedy in Lieu of Termination), in lieu of terminating this Agreement under Section 11.3.1 (By Biogen), in which case, effective as of the expiration of such applicable Cure Period without City having cured the applicable material breach, if Biogen has the right to terminate this Agreement pursuant to Section 11.3.1 (By Biogen) after City has failed to cure such material breach within the applicable cure period set forth in Section 11.3.3 (Cure Periods for Material Breaches) and subject to Section 11.3.4 (Disputes Regarding Material Breach), then the following applies, which City stipulates and agrees would be a reasonable remedy in such circumstance and not a penalty. Notwithstanding the foregoing, in no event may Biogen exercise its rights under this Section 11.8 (Alternative Remedy in Lieu of Termination) as a result of any matter set forth in [***].

11.8.1 This Agreement will remain in full force and effect, including Biogen retaining all of its licenses and other rights granted under this Agreement, subject to all of its payment and other obligations hereunder; *provided* that the Milestone Payments for Milestone Events achieved after such Biogen election and the royalty rates payable under this Agreement for Net Sales of Licensed Product after such election, in each case, will be reduced by 50%; and

11.8.2 Any Biogen Confidential Information provided to City pursuant to this Agreement will be promptly destroyed or, as directed by Biogen, returned to Biogen, and Biogen will be released from its ongoing disclosure and information exchange obligations with respect to activities after the date of such election, other than disclosure obligations under Article 6 (Financial Terms).

Notwithstanding the foregoing, if either Party initiates a dispute resolution process pursuant to Section 11.3.4 (Disputes Regarding Material Breach), Biogen will continue to make Milestone Payments and royalties that become payable to City during any tolled portion of the Cure Period or Additional Cure Period (*i.e.*, during the period after which this Section 11.8 (Alternative Remedy in Lieu of Termination) would have taken effect absent such dispute), until resolution of the dispute; *provided* that, upon resolution of such dispute, if it is ultimately determined that this Section 11.8 (Alternative Remedy in Lieu of Termination) applies, then City will promptly reimburse Biogen for 50% of the Milestone Payments and royalties paid to City during such tolled portion of the Cure Period or Additional Cure Period through the date of effectiveness of this Section 11.8 (Alternative Remedy in Lieu of Termination) (and Biogen's offset right under Section 6.8 (Right to Offset) will apply with respect to any such amounts not so reimbursed).

If Biogen exercises its alternative remedy under this Section 11.8 (Alternate Remedy in Lieu of Termination), then the above alternative remedy will be the sole monetary remedy available to Biogen for the uncured material breach by City, but Biogen will retain applicable equitable remedies for such breach. For the avoidance of doubt, except as set forth in this Section 11.8 (Alternate Remedy in Lieu of Termination), if Biogen exercises the alternative remedy set forth above in this Section 11.8 (Alternate Remedy in Lieu of Termination), then all rights and obligations of both Parties under this Agreement will continue unaffected, unless and until this Agreement is subsequently terminated by either Party pursuant to this Article 11 (Term and Termination) or otherwise as expressly permitted under this Agreement. Notwithstanding the foregoing, this Section 11.8 (Alternate Remedy in Lieu of Termination) is subject to Section 6.3.4(e)(ii) (Maximum Royalty Adjustments).

11.9 **Rights Accruing Prior to Expiration or Termination**. Expiration or termination of this Agreement will not relieve the Parties of any obligation that accrued prior to such expiration or termination. Except as expressly set forth hereunder, any expiration or termination of this Agreement will be without prejudice to the rights of either Party against the other accrued or accruing under this Agreement prior to expiration or termination, including any payment obligation that accrued prior to the effective date of such expiration or termination.

11.10 **Survival**.

11.10.1 The following provisions, as well as any other provisions which by their express terms are intended to survive termination, will survive termination of this Agreement: Article 1 (to the extent necessary to interpret the other surviving provisions), Section 2.1.2 (solely with respect to those Licensed Products and countries for which such license has already become perpetual, as provided in the final sentence of Section 11.1, prior to the effective date of termination), Section 2.2.2 (in the instances set forth therein), Section 2.3, Section 2.4, Section 3.3.3 (except for the first sentence thereof), Section 3.8 (for the time period set forth in Section 3.8.1), Section 5.8 (solely with respect to the last sentence and for the time period set forth in Section 8.1), Section 6.7, Section 7.7, Section 8.1 (for the time period set forth therein), Section 8.2, Section 8.3 (except Sections 8.3.3 and 8.3.8), Section 8.4, Section 8.5, Section 8.6, Section 8.7, Section 8.8, Section 9.1, Sections 9.2.1, 9.2.2, 9.2.3, 9.2.4, 9.5, 9.6 and 9.7 (each, solely with respect to the Joint Patent Rights), Section 9.3.2(c), Section 9.3.2(d), Section 10.1, Section 10.2, Section 10.3, Section 10.4, Section 10.5 (for the time period set forth therein), Section 11.5 (only in the event of termination pursuant to Section 11.4), Section 11.7, Section 11.9, this Section 11.10, Section 11.11, Article 12 (except for Section 12.3) and the following Sections, solely with respect to payments accruing prior to the effective date of termination of this Agreement and solely for purposes of final accounting with respect thereto: Sections 2.5, 2.6.4, 5.9, 6.2, 6.3, 6.4, 6.5, 6.6, 6.8, 6.9 and 6.10.

11.10.2 The following provisions, as well as any other provisions which by their express terms are intended to survive expiration, will survive expiration of this Agreement: Article 1 (to the extent necessary to interpret the other surviving provisions), Section 2.1.2 (as provided in the final sentence of Section 11.1), Section 2.3, Section 2.4, Section 3.3.3 (except for the first sentence thereof), Section 3.8 (for the time period set forth in Section 3.8.1), Section 5.8 (solely with respect to the last sentence and for the time period set forth in Section 8.1), Section 6.7, Section 7.7, Section 8.1 (for the time period set forth therein), Section 8.2, Section 8.3 (except for Section 8.3.3), Section 8.4, Section 8.5, Section 8.6, Section 8.7, Section 8.8, Section 8.9, Section 9.1, Sections 9.2.1, 9.2.2, 9.2.3, 9.2.4, 9.5, 9.6 and 9.7 (each, solely with respect to the Joint Patent Rights), Section 9.3.2(c), Section 9.3.2(d), Section 9.4, Section 9.8, Section 9.9, Section 10.1, Section 10.2, Section 10.3, Section 10.4, Section 10.5 (for the time period set forth therein), Section 11.1 (solely with respect to the last sentence thereof), Section 11.5, Section 11.9, this Section 11.10, Section 11.11, Article 12 (except for Section 12.3), and the following Sections, solely with respect to payments accruing prior to the expiration of this Agreement and solely for purposes of final accounting with respect thereto: Sections 2.5, 2.6.4, 5.9, 6.2, 6.3, 6.4, 6.5, 6.6, 6.8, 6.9 and 6.10.

11.11 **Injunction for Particular Breach**. Without limiting either Party's rights under Section 12.9.2 (Preliminary Injunctions), each Party acknowledges and agrees that the damages and harm to the other Party, for the first Party's uncured breach of its obligations under Section 2.7 (Exclusivity), Article 8 (Confidentiality), or Article 9 (Intellectual Property), likely are difficult to ascertain and not predictable, and thus each Party covenants and agrees that, in the event that such Party has in fact breached its obligations under Section 2.7 (Exclusivity), Article 8 (Confidentiality), or Article 9 (Intellectual Property) and has not cured such breach, then monetary damages likely will not be a sufficient remedy for any such breach, and that in addition to all other remedies, the non-breaching Party will be entitled to obtain specific performance and injunctive and other equitable relief as a remedy for any such breach of Section 2.7 (Exclusivity), Article 8 (Confidentiality), or Article 9 (Intellectual Property), without the need to show irreparable harm.

11.12 **[***].**

ARTICLE 12
MISCELLANEOUS

12.1 **Assignment**. Neither this Agreement nor any interest hereunder will be assignable by City without the prior written consent of Biogen, except as follows: (a) City may, subject to the terms of this Agreement, assign its rights and obligations under this Agreement, without Biogen's consent, in whole, to its successor-in-interest in connection with the sale of all or substantially all of its assets, whether in a merger, acquisition, consolidation, asset sale, or similar transaction or series of related transactions, *provided* that such sale is not primarily for the benefit of its creditors, (b) City may, without Biogen's consent, assign its rights and obligations under this Agreement to any of its Affiliates, *provided* that City will remain liable for all of its obligations under this Agreement notwithstanding such assignment under this subclause (b), [***] Biogen may freely assign this Agreement or any interest hereunder, in whole or in part (x) at any time during the Term, (i) to its successor-in-interest in connection with the sale of all or substantially all of its assets, whether in a merger, acquisition, consolidation, asset sale, or similar transaction or series of related transactions, *provided* that such sale is not primarily for the benefit of its creditors, or (ii) to any Affiliate, *provided* that Biogen will remain responsible to City for the performance of any obligation assigned to an Affiliate, notwithstanding such assignment under this subclause (x)(ii), and (y) from and after the Development Candidate Selection Date, to any Third Party. [***]. Each Party will promptly notify the other Party of any assignment of this Agreement or any interest hereunder under the provisions of this Section 12.1 (Assignment). This Agreement will be binding upon the successors and permitted assigns of the Parties, and in the case of any such successor relationship or permitted assignment, the name of a Party appearing herein will be deemed to mean the names of such Party's successors and permitted assigns to the extent necessary to carry out the intent of this Agreement. Any assignment not in accordance with this Section 12.1 (Assignment) will be null, void, and of no legal effect.

12.2 **Entire Agreement; Amendments**. This Agreement, together with the Schedules and Exhibits attached hereto, sets forth the entire agreement between the Parties and supersedes all previous and contemporaneous negotiations, representations, or agreements, written or oral, regarding the subject matter hereof. Any other express or implied agreements and understandings, negotiations, writings and commitments, either oral or written, with respect to the Research Program or the licenses granted hereunder are superseded by the terms of this Agreement (including the Confidentiality Agreement, which Confidentiality Agreement is hereby terminated effective as of the Effective Date). This Agreement may be amended or modified (or any obligation thereof may be released or discharged) only by an instrument in writing duly executed by authorized representatives on behalf of the Parties. In case of inconsistencies between this Agreement and any Schedule or Exhibit hereof, the terms of this Agreement will prevail unless the Parties have agreed in writing explicitly that the Schedule or Exhibit, as applicable, should prevail.

12.3 **Force Majeure**. Neither Party will be held liable to the other Party nor be deemed to have breached this Agreement for failure or delay in performing any obligation under this Agreement to the extent that such failure or delay is caused by or results from a Force Majeure event and for so long as such failure or delay continues to be caused by or result from such Force Majeure event, and *provided* that such Party uses Commercially Reasonable Efforts to find an alternate means of performing any effected obligation, remedy its inability to perform, or to avoid the effects of such Force Majeure event. The non-performing Party will notify the other Party in writing of any Force Majeure circumstances that may affect its performance under this Agreement as soon as reasonably practical, but in no event more than [***] after the occurrence of such circumstance, will provide a good faith estimate of the period for which its failure or delay in performance under this Agreement is expected to continue based on currently available information, and will undertake reasonable efforts necessary to mitigate and overcome such Force Majeure circumstances and resume normal performance of its obligations hereunder as soon a reasonably practicable under the circumstances. During the pendency of the claimed Force Majeure event, the non-performing Party will update such notice to the other Party on a weekly basis, or more frequently if requested by the other Party, to provide updated summaries of its mitigation efforts and its estimates of when normal performance under the Agreement will be able to resume. In addition, if a Party's failure to perform any material obligations under this Agreement as a result of a Force Majeure event continues for longer than [***], then the other Party may terminate this Agreement by providing [***] written notice to the non-performing Party.

12.4 **Export Control**. This Agreement is made subject to any restrictions concerning the export of products or technical information from the United States or other countries that may be imposed on the Parties from time to time. Each Party agrees that it will not export, directly or indirectly, any technical information acquired from the other Party under this Agreement or any products using such technical information to a location or in a manner that at the time of export requires an export license or other governmental approval, without first obtaining the written consent to do so from the appropriate agency or other governmental entity in accordance with Applicable Law.

12.5 **Waiver and Non-Exclusion of Remedies**. The failure of either Party to require performance by the other Party of any of that other Party's obligations under this Agreement will in no manner affect the right of such Party to enforce the same at a later time, subject only to applicable statutes of limitation as to any particular breach of an obligation. No waiver by any Party of any condition, or of the breach of any provision, term, representation, or warranty contained in this Agreement will be effective unless set forth in writing and duly executed by authorized representatives on behalf of the Parties. No such waiver will be deemed to be or construed as a further or continuing waiver of any such condition or breach, or of any other condition or of the breach of any other provision, term, representation, or warranty hereof. The remedies provided in this Agreement are not exclusive and the Party suffering from a breach or default of this Agreement may pursue all other remedies, both legal and equitable, alternatively, or cumulatively, except as expressly set forth herein.

12.6 **Severability**. If, under Applicable Law, any provision of this Agreement or portion thereof is for any reason held to be invalid, illegal, or unenforceable in any court of competent jurisdiction, then the same will not affect any other portion of this Agreement and its validity, as it is the intent of the Parties that this Agreement will be construed in such fashion as to maintain its existence, validity, and enforceability to the greatest extent possible. In any such event, this Agreement will be construed as if such provision or portion thereof had never been contained in this Agreement with respect to such jurisdiction, and there will be deemed substituted therefore a provision as will most nearly carry out the intent of the Parties as expressed in this Agreement to the fullest extent permitted by Applicable Law; *provided* that the foregoing will not apply if such substitution would have the effect of materially altering the rights and obligations of the Parties, in which event this Agreement may be terminated by mutual written agreement of the Parties. To the fullest extent permitted by Applicable Law, each Party hereby waives any provision of law that would render any provision hereof invalid, illegal, or unenforceable in any respect.

12.7 **Notices**. All notices and other communications given or made pursuant to this Agreement will be in writing, specifically refer to this Agreement, and will be deemed to have been duly given on the date delivered, if delivered personally, or on the next Business Day after being sent by reputable overnight courier (with delivery tracking provided, signature required, and delivery prepaid), in each case, to the Parties at the following addresses, or on the date sent and confirmed by confirmatory return email to the email address specified below (or at such other address, or email address for a Party as will be specified by notice given in accordance with this Section 12.7 (Notices)). This Section 12.7 (Notices) is not intended to govern the day-to-day business communications necessary between the Parties in performing their obligations under the terms of this Agreement.

If to City:

City Therapeutics, Inc.
399 Binney Street
Cambridge, MA 02142
Attention: Chief Executive Officer
[***]

With a copy to:

Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP
3570 Carmel Mountain Road
San Diego, CA 92130
[***]
[***]

If to Biogen:

Biogen MA Inc.
225 Binney Street
Cambridge, MA 02142
Attention: Chief Legal Officer
[***]

With a copy to:

Covington & Burling
One International Place
Suite 1020
Boston, MA 02110-2627
[***]
[***]

12.8 **Governing Law**. This Agreement, and all claims arising under or in connection herewith, will be governed by and interpreted in accordance with the substantive laws of the Commonwealth of Massachusetts, without regard to conflict of law principles thereof. The Parties agree to exclude the application to this Agreement of the United Nations Convention on Contracts for the International Sale of Goods.

12.9 **Dispute Resolution**. Any dispute arising out of or in connection with this Agreement (except for disputes arising at the JRC, which will be resolved pursuant to Section 4.2.5 (Decision-Making Authority) or as provided in Section 11.11 (Injunction for Particular Breach)) will be settled, if possible, through good faith negotiations between the Parties, and in the case of any such dispute, each Party commits to conduct such negotiations reasonably and in good faith. If the Parties are unable to settle such dispute within [***] days after first considering and discussing the resolution of such dispute, then such dispute will be referred to the Executive Officers. The Executive Officers of both Parties will meet to attempt to resolve such dispute. Such resolution, if any, of a referred issue will be set forth in writing and will be final and binding on the Parties. All negotiations pursuant to this Section 12.9 (Dispute Resolution) are confidential and will be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. If the Executive Officers cannot resolve such dispute within 30 days after either Party requests such a meeting in writing, then either Party will have the right to pursue any and all remedies available at law or in equity, consistent with Section 12.9.1 (Jurisdiction; Venue).

12.9.1 **Jurisdiction; Venue**. Each Party irrevocably submits to the exclusive jurisdiction of (a) the state courts of the Commonwealth of Massachusetts, and (b) the United States District Court for the District of Massachusetts, for the purposes of any suit, action, or other proceeding arising out of this Agreement or out of any transaction contemplated hereby. Each Party agrees to commence any such action, suit, or proceeding either in the United States District Court for the District of Massachusetts or if such suit, action, or other proceeding may not be brought in such court for jurisdictional reasons, in the state courts of the Commonwealth of Massachusetts. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit, or proceeding arising out of this Agreement or the transactions contemplated hereby in such courts, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit, or proceeding brought in any such court has been brought in an inconvenient forum. Each Party irrevocable consents to service of process in the manner provided under Section 12.7 (Notices) or by first class certified mail, return receipt requested, postage prepaid. THE PARTIES EXPRESSLY, IRREVOCABLY, AND UNCONDITIONALLY WAIVE AND FOREGO ANY RIGHT TO TRIAL BY JURY.

12.9.2 **Preliminary Injunctions**. Notwithstanding any provision to the contrary set forth in this Agreement, in the event of an actual or threatened breach of a Party's obligations under this Agreement, a Party may seek a temporary restraining order or a preliminary injunction from any court of competent jurisdiction in order to prevent immediate and irreparable injury, loss, or damage on a provisional basis.

12.9.3 **Patent and Trademark Disputes**. Notwithstanding any provision to the contrary set forth in this Agreement, any and all issues regarding the scope, construction, validity, and enforceability of any Patent Rights or Trademark relating to a Licensed Product that is the subject of this Agreement will be determined in a court or other tribunal, as the case may be, of competent jurisdiction under the applicable patent or trademark laws of the country in which such Patent Rights or Trademark rights were granted or arose.

12.9.4 **Payment Tolling**. During the pendency of any dispute resolution proceeding between the Parties under this Section 12.9 (Dispute Resolution) regarding the obligation to make any payment under this Agreement from one Party to the other Party (in whole or in part), the obligation to make such disputed payment will be tolled until the final outcome of such dispute has been established, but all other payment obligations that are not disputed will remain in force and payable. If it is ultimately determined that one Party is obligated to make disputed payment to the other Party, the paying Party shall pay interest to the receiving Party on the aggregate amount of any payments that are not paid on or before the date such payments are due under this Agreement at the applicable rate set forth in Section 6.7 (Late Payments).

12.9.5 **Confidentiality**. Any and all activities conducted under this Section 12.9 (Dispute Resolution), including any and all proceedings and decisions hereunder, will be deemed Confidential Information of each of the Parties, and will be subject to Article 8 (Confidentiality), to the extent applicable in accordance with Applicable Law.

12.10 **Relationship of the Parties**. It is expressly agreed that City, on the one hand, and Biogen, on the other hand, will be independent contractors and that the relationship between the two Parties will not constitute a partnership, joint venture or agency, including for tax purposes. Neither City nor Biogen will have the authority to make any statements, representations or commitments of any kind, or to take any action that will be binding on the other, without the prior written consent of the other Party to do so. All Persons employed by a Party will be employees of that Party and not of the other Party and all expenses and obligations incurred by reason of such employment will be for the account and expense of such Party. Neither Party (nor any successor, assignee, transferee, or Affiliate of a Party) will treat or report the relationship between the Parties arising under this Agreement as a partnership for United States tax purposes, without the prior written consent of the other Party, unless required by Applicable Law.

12.11 **Performance by Affiliates**. Each Party recognizes that the other Party may perform some or all of its obligations under this Agreement through its Affiliates; *provided*, *however*, that such other Party will remain responsible for the performance by its Affiliates as if such obligations were performed by such other Party; and *provided*, *further*, that Biogen shall not perform its payment obligations through an Affiliate resident in a jurisdiction that, as of the time of such delegation by Biogen, requires Biogen to deduct and withhold tax under Applicable Law that cannot be eliminated or reduced under the applicable Tax treaty (or otherwise) to an amount less than or equal to the U.S. withholding tax that at such time would apply to payments by Biogen to City.

12.12 **Third Party Beneficiaries**. There are no implied Third Party beneficiaries hereunder. The provisions of this Agreement are for the exclusive benefit of the Parties, and no other Person will have any right or claim against any Party by reason of these provisions or be entitled to enforce any of these provisions against any Party, except (a) the indemnification rights (i) of the Biogen Indemnified Parties pursuant to Section 10.1 (Indemnification by City) and Section 10.3 (Procedure) and (ii) of the City Indemnified Parties pursuant to Section 10.2 (Indemnification by Biogen) and Section 10.3 (Procedure) and (b) as expressly provided in Section 2.2.2 (Survival of Sublicenses).

12.13 **Interpretation**. Except where the context expressly requires otherwise, (a) the use of any gender herein will be deemed to encompass references to either or both genders, and the use of the singular will be deemed to include the plural (and vice versa), (b) the words "include", "includes" and "including" will be deemed to be followed by the phrase "without limitation," (c) the word "will" will be construed to have the same meaning and effect as the word "shall," (d) any definition of or reference to any agreement, instrument or other document herein will be construed as referring to such agreement, instrument, or other document as from time to time amended, supplemented, or otherwise modified (subject to any restrictions on such amendments, supplements, or modifications set forth herein), (e) any reference herein to any person or entity will be construed to include the person's or entity's successors and assigns, (f) the words "herein," "hereof," and "hereunder", and words of similar import, will be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (g) all references herein to Sections, Exhibits, or Schedules will be construed to refer to Sections, Exhibits, or Schedules of this Agreement, and references to this Agreement include all Exhibits and Schedules hereto, (h) the word "notice" means notice in writing (whether or not specifically stated) and will include notices, consents, approvals, and other written communications contemplated under this Agreement, (i) provisions that require that a Party, the Parties or any committee hereunder "agree," "consent," or "approve" or the like will require that such agreement, consent, or approval be specific and in writing, whether by written agreement, letter, approved minutes, or otherwise (but excluding e-mail and instant messaging), (j) references to any specific law, rule or regulation, or article, section, or other division thereof, will be deemed to include the then-current amendments thereto or any replacement or successor law, rule or regulation thereof, (k) the term "or" will be interpreted in the inclusive sense commonly associated with the term "and/or," and (l) references to any Sections include Sections and subsections that are part of the related Section (*e.g.*, a section numbered "Section 2.2" would be part of "Section 2", and references to "Section 2.2" would also refer to material contained in the subsection described as "Section 2.2(a)").

12.14 **Further Assurances**. Each of City and Biogen agrees to duly execute and deliver, or cause to be duly executed or delivered, such further reasonable instruments and do and cause to be done such further reasonable acts, which may include the filing of additional assignments, agreements, documents, and instruments, as the other Party may at any time and from time to time reasonably request in connection with this Agreement or to carry out more effectively the provisions and purposes of, or to better assure and confirm unto such other Party its rights and remedies under, this Agreement.

12.15 **Counterparts**. This Agreement may be executed in counterparts, all of which taken together will be regarded as one and the same instrument. Counterparts may be delivered via electronic mail, including Adobe™ Portable Document Format (PDF) or any electronic signature complying with the U.S. Federal ESIGN Act of 2000, and any counterpart so delivered will be deemed to be original signatures, will be valid and binding upon the Parties, and, upon delivery, will constitute due execution of this Agreement.

[Signature Page follows.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized officers as of the Effective Date.

BIOGEN MA INC.

By: /s/ Adam Keeney
(Signature)

Name: Adam Keeney

Title: Executive Vice President, Corporate Development

CITY THERAPEUTICS, INC.

By: /s/ Andy Orth
(Signature)

Name: Andy Orth

Title: President and CEO

Exhibit 1.20

Biogen Specified OSIF License Issues

[***]

Exhibit 1.193

Initial Research Plan

[***]

Exhibit 11.8

Alternative Remedy Exceptions

[***]

Schedule 1.88

Existing Licensed Patent Rights

[***]

Schedule 1.220

Target

[***]

Schedule 1.232

Upstream Agreements

[***]

Schedule 4.1.1

Contact List

[***]

Schedule 7.2

Initial Disclosure Schedule

[***]

Exhibit 10.11

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.

RESEARCH COLLABORATION AND LICENSE AGREEMENT

between

CITY THERAPEUTICS, INC.

and

BAUSCH + LOMB IRELAND LIMITED

July 8, 2024

RESEARCH COLLABORATION AND LICENSE AGREEMENT

This RESEARCH COLLABORATION AND LICENSE AGREEMENT (this "**Agreement**") is entered into as of July 8, 2024 (the "**Effective Date**"), by and between CITY THERAPEUTICS, INC., a Delaware corporation with a place of business at 399 Binney Street, Cambridge, MA 02142 ("**City**"), and Bausch + Lomb Ireland Limited, a corporation organized under the laws of Ireland, having offices at 3013 Lake Drive, Citywest Business Campus, Dublin 24, Ireland ("**B+L**"). In this Agreement, B+L and City are collectively referred to as the "**Parties**" and each individually as a "**Party**".

RECITALS

WHEREAS, B+L desires to enter into a research collaboration with City pursuant to which City shall undertake a research program for Licensed Molecules (as defined below), which would enable B+L to develop, and subsequently commercialize, one or more Licensed Products (as defined below) in the Field (as defined below) and the Territory (as defined below); and

WHEREAS, City desires to grant to B+L, and B+L desires to obtain from City, an exclusive, worldwide license to certain City intellectual property to develop, manufacture and commercialize Licensed Molecules and Licensed Products in the Field throughout the Territory.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

ARTICLE 1
DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set forth below:

1.1 "**Acquiring Organization**" means [***].

1.2 "**Acquiring Organization Intellectual Property**" means all Know-How and Patents Controlled by the Acquiring Organization, except for: [***].

1.3 "**Acquiror**" shall have the meaning set forth in Section 1.4.

1.4 "**Acquisition**" of a Person (a "**Target Person**") means [***].

1.5 "**Additional B+L Studies**" shall have the meaning set forth in Section 2.2.2.

1.6 "**Additional B+L Studies Efforts Obligations**" shall have the meaning set forth in Section 2.2.2.

1.7 "**Affiliate**" shall mean, with respect to a Party, any Person that controls, is controlled by, or is under common control with that Party, but only for so long as such control exists. For the purpose of this definition and the "Acquisition" definition set forth in Section 1.4, "control" shall mean, direct or indirect, ownership of fifty percent (50%) or more of the shares of stock entitled to vote for the election of directors, in the case of a corporation, or fifty percent (50%) or more of the equity interest in the case of any other type of legal entity, status as a general partner in any partnership, or any other arrangement whereby the entity or person controls or has the right to control the board of directors or equivalent governing body of a corporation or other entity, or the ability to cause the direction of the management or policies of a corporation or other entity. In the case of entities organized under the laws of certain countries, the maximum percentage ownership permitted by law for a foreign investor may be less than fifty percent (50%), and in such case such lower percentage shall be substituted in the preceding sentence, *provided* that such foreign investor has the power to direct the management and policies of such entity. [***].

1.8 "**Agreement**" shall have the meaning set forth in the preamble hereto.

1.9 "**Annual Net Sales**" for a Calendar Year for a particular Licensed Product shall mean Net Sales of such Licensed Product in all countries in such Calendar Year.

1.10 "**Applied B+L Technology**" means, [***].

1.11 "**Assumed Patents**" shall have the meaning set forth in Section 8.2.3(b).

1.12 "**Audited Party**" shall have the meaning set forth in Section 6.11.2.

1.13 "**Auditing Party**" shall have the meaning set forth in Section 6.11.2.

1.14 "**B+L**" shall have the meaning set forth in the preamble hereto.

1.15 "**B+L Indemnitees**" shall have the meaning set forth in Section 11.2.

1.16 "**Bankruptcy Code**" shall have the meaning set forth in Section 9.6.2.

1.17 "**Budget Amount**" shall mean [***].

1.18 "**Business Day**" shall mean any day that is not a Saturday, Sunday or other day on which commercial banks are authorized or required to be closed, as the case may be, in New York, USA or Dublin, Ireland.

1.19 "**Calendar Quarter**" shall mean the respective periods of three (3) consecutive calendar months ending on March 31, June 30, September 30 and December 31.

1.20 "**Calendar Year**" shall mean a period of twelve (12) consecutive calendar months ending on December 31.

1.21 "**City**" shall have the meaning set forth in the preamble hereto.

1.22 "**City Indemnitees**" shall have the meaning set forth in Section 11.1.

1.23 "**City Molecule-Specific Patent**" shall mean [***].

1.24 "**City Owned Patents**" shall mean Licensed Patents that are owned solely by City or any of its Affiliates (or jointly by City and any of its Affiliates).

1.25 "**City Royalty Event**" shall mean [***].

1.26 "**City Royalty Payment**" shall have the meaning set forth in Section 3.5.

1.27 "**Claim Basis**" shall have the meaning set forth in Section 11.3.2.

1.28 "**Clinical Trial**" shall mean any human clinical study of a pharmaceutical product.

1.29 "**CMC Licensed Know-How**" shall mean Licensed Know-How necessary or reasonably useful to Manufacture Licensed Molecules or Licensed Products.

1.30 "**Combination Product**" shall mean a Licensed Product that contains both: (a) one or more Licensed Molecules; and (b) either (i) one or more Other API (including any combination of a Licensed Product sold together in a single package or for a single price with a separately formulated product containing an Other API) or (ii) any Third Party drug delivery device, drug eluting implant, or drug eluting polymer, in each case, for the administration of the portion of such Licensed Product containing a Licensed Molecule (each a "**Drug Delivery Device**").

1.31 "**Commercialize**" shall mean any and all activities directed to the promotion, marketing, distribution or sale (and offer for sale or import or export for sale) of a product. "**Commercializing**" and "**Commercialization**" shall have corresponding meanings.

1.32 "**Commercially Reasonable Efforts**" shall mean, [***].

1.33 "**Committed Target Notice**" shall have the meaning set forth in Section 2.8.

1.34 "**Committee Deadlock**" shall have the meaning set forth in Section 4.4.

1.35 "**Competing Product**" shall mean [***].

1.36 "**Competing Research Product**" shall mean [***].

1.37 "**Confidential Information**" shall mean all confidential or proprietary information, Know-How, or data of one Party (the "**Disclosing Party**") that is provided or disclosed by the Disclosing Party or its employees, agents, or other representatives to the other Party (the "**Receiving Party**") or that the Receiving Party otherwise receives or accesses directly from the Disclosing Party or its employees, agents, or other representatives in the course of performing its obligations or exercising its rights under this Agreement and is marked or otherwise identified as confidential or that, by its nature, a reasonable Person would understand to be confidential. Notwithstanding the foregoing sentence, Confidential Information does not include any information, Know-How, or data:

(a) that the Receiving Party can document was already known to the Receiving Party at the time of disclosure by the Disclosing Party without a duty of confidentiality;

(b) generally available to the public or otherwise part of the public domain at the time of its disclosure to the Receiving Party;

(c) generally available to the public or otherwise part of the public domain after its disclosure, other than through any act or omission of a Party in breach of such Party's confidentiality obligations under this Agreement;

(d) subsequently disclosed to the Receiving Party by a Third Party who had no obligation to the Disclosing Party or any Affiliate of the Disclosing Party not to disclose such information to others; or

(e) independently discovered or developed by or on behalf of the Receiving Party without the use of, reliance on or reference to the Confidential Information belonging to the other Party and the Receiving Party has contemporaneous documentation or other competent evidence to that effect.

Subject to the exclusions in clause (c) above, the terms of this Agreement shall be deemed to be the Confidential Information of both Parties (and both Parties shall be deemed to be the Receiving Party with respect thereto).

Subject to the exclusions in clauses (b)-(d) above: [***].

1.38 "**Confirmation Notice**" shall have the meaning set forth in Section 2.8.

1.39 "**Control**" and its correlative terms, "**Controlled**" or "**Controls**", with respect to Know-How or Patents, shall mean the ability to grant a right, license or sublicense to such Know-How or Patents (other than pursuant to any rights granted in this Agreement) without violating the terms of any agreement with any Third Party; *provided, however*, [***].

1.40 "**Cover**," "**Covered**" or "**Covers**" shall mean, as to a process, composition of matter, or product and a Patent, that, in the absence of a license granted under, or ownership of, such Patent, the making (including methods of making), using (including methods of use, such as methods of treatment), selling, offering for sale or importation of such process, composition of matter or product would infringe such Patent or, as to a pending claim included in such Patent, the making, using, selling, offering for sale or importation of such process, composition of matter or product would infringe such Patent if such pending claim were to issue in an issued Patent without modification.

1.41 "**CRO**" shall have the meaning set forth in Section 2.2.1.

1.42 "**Development**" shall mean any and all activities directed to obtaining and maintaining Regulatory Approval for a product for any indication, including research, discovery, composition of matter identification and generation, non-clinical, pre-clinical trials and Clinical Trials, post approval studies, supporting Manufacturing, production process development and formulation and related regulatory activities. "**Develop**" and "**Developing**" shall have corresponding meanings.

1.43 "**Development Candidate Selection**" shall have the meaning set forth in Section 3.1.1.

1.44 "**Development Candidate Selection Notice**" shall have the meaning set forth in Section 3.1.1.

1.45 "**Development Candidate Selection Payment**" shall have the meaning set forth in Section 3.1.1.

1.46 "**Development Candidate Selection Period**" shall mean the period commencing [***].

1.47 "**Development Candidate Selection Termination Condition**" shall have the meaning set forth in Section 3.1.4.

1.48 "**Disclosing Party**" shall have the meaning set forth in Section 1.37.

1.49 "**Drug Delivery Device**" shall have the meaning set forth in Section 1.30.

1.50 "**Effective Date**" shall have the meaning set forth in the preamble hereto.

1.51 "**EMA**" shall mean the European Medicines Agency and any successor or replacement agency.

1.52 "**Exclusivity Period**" shall mean the period beginning [***].

1.53 "**Exploit**" shall mean to make, have made, import, use, sell, offer for sale, Develop, Manufacture, and Commercialize. "**Exploitation**" shall mean the act of Exploiting a composition of matter, product or process.

1.54 "**FD&C Act**" shall mean the U.S. Federal Food, Drug and Cosmetic Act, as amended or supplemented from time to time.

1.55 "**FDA**" shall mean the U.S. Food and Drug Administration, and any successor or replacement agency.

1.56 "**Field**" shall mean [***].

1.57 "**First Commercial Sale**" shall mean, with respect to any Licensed Product and country, the first sale to a Third Party for end use, including consumption, of such Licensed Product in such country; provided, that such sale is after all required Regulatory Approvals have been granted to sell such Licensed Product in such country. Registration samples, inter-company transfers to Affiliates or Sublicensees of a Party for resale, and supply for compassionate use, named patient use, clinical trial purposes or other similar non-commercial uses shall not constitute a First Commercial Sale.

1.58 "**Force Majeure Event**" shall have the meaning set forth in Section 12.4.

1.59 "**FTE**" shall mean the equivalent of the work of one (1) employee full time for one (1) Calendar Year (consisting of at least a total of [***] per Calendar Year) of work directly related to the Research Plan. Any person who works more than [***] per Calendar Year and any person who devotes less than [***] per Calendar Year shall be treated as an FTE on a pro rata basis based upon the actual number of hours worked divided by [***].

1.60 "**FTE Cost**" shall mean, for any period, the FTE Rate multiplied by the number of FTEs in such period.

1.61 "**FTE Rate**" shall mean, with respect to either Party, a rate of [***] per FTE per year.

1.62 "**GAAP**" shall mean United States generally accepted accounting principles, consistently applied. Unless otherwise defined or stated, financial terms will be calculated by the accrual method under GAAP.

1.63 "**Generic Entry**" shall mean, with respect to a particular Licensed Product, the first arm's length sale to a Third Party of a Generic Product of such Licensed Product for use or consumption in a country.

1.64 "**Generic Product**" shall mean, after Regulatory Approval of a Licensed Product in a country, any other pharmaceutical product designated for human use launched by a Third Party in such country that (a) has the same active pharmaceutical ingredient(s), administration route and dosage form as such Licensed Product, and (b) is approved for use pursuant to a Regulatory Approval process governing approval of generic or interchangeable drugs based on the then-current standards for Regulatory Approval in such country (e.g., a non-U.S. equivalent to an abbreviated new drug application submitted pursuant to Section 505(j) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(j)), a new drug application submitted pursuant to Section 505(b)(2) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(b)(2)), or a relevant equivalent under non-U.S. law).

1.65 "**Good Clinical Practice**" or "**GCP**" shall mean the then-current good clinical practice applicable to the clinical Development of a pharmaceutical product under applicable Law, including the ICH guidelines, U.S. Good Clinical Practice and clause 2 of Article 1 of European Union directive on the conduct of clinical trials 2001/20/EC.

1.66 "**Good Laboratory Practice**" or "**GLP**" shall mean the then-current Good Laboratory Practice Standards promulgated or endorsed by the FDA or in the case of any other country, comparable regulatory standards promulgated or endorsed by the Regulatory Authorities in that country.

1.67 "**Good Manufacturing Practice**" or "**GMP**" shall mean the then-current Good Manufacturing Practices as specified in the United States Code of Federal Regulations, ICH Guideline Q7A, or equivalent Laws of an applicable Governmental Authority of any other relevant country at the time of manufacture.

1.68 "**Governmental Authority**" shall mean any court, tribunal, arbitrator, agency, department, board, division, administration, legislative body, commission, official or other instrumentality of (a) any government of any country, (b) a federal, state, province, county, city or other political subdivision thereof, or (c) any international, multinational or supranational body.

1.69 "**Gross-Up Payments**" shall have the meaning set forth in Section 6.7.

1.70 "**HSR Act**" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

1.71 "**ICH**" shall mean the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use.

1.72 "**Incomplete Data Package Notice**" shall have the meaning set forth in Section 2.9.1.

1.73 "**IND**" shall mean any Investigational New Drug application, as defined in Title 21 of the Code of Federal Regulations, on file with the FDA before commencement of Clinical Trials, or any comparable filing with any relevant Regulatory Authority in any country or jurisdiction including a Clinical Trial application.

1.74 "**Indemnification Claim**" shall have the meaning set forth in Section 11.3.1.

1.75 "**Indemnitee**" shall have the meaning set forth in Section 11.3.2.

1.76 "**Indemnitor**" shall have the meaning set forth in Section 11.3.2.

1.77 "**Infringement Action**" shall have the meaning set forth in Section 8.3.1(a).

1.78 "**Initial NHP Study Plan**" shall have the meaning set forth in Section 2.2.1.

1.79 "**Initiation**" of a Clinical Trial shall mean the dosing of the [***] subject in the relevant Clinical Trial.

1.80 "**Invalidity Claim**" shall have the meaning set forth in Section 8.5.1.

1.81 "**Invention**" shall mean an invention invented by a Party in performance of the Research Plan.

1.82 "**JAMS**" shall have the meaning set forth in Section 1.102(1).

1.83 "**Joint Inventions**" shall have the meaning set forth in Section 8.1.2.

1.84 "**Joint Molecule-Specific Patents**" shall mean [***].

1.85 "**Joint Patent Costs**" shall have the meaning set forth in Section 8.2.4(c).

1.86 "**Joint Patents**" shall have the meaning set forth in Section 8.2.2.

1.87 "**Joint Research Committee**" or "**JRC**" shall have the meaning set forth in Section 4.1.

1.88 "**Know-How**" shall mean all technical information, know-how and data, inventions (whether patentable or not), discoveries, trade secrets, specifications, processes, formulae, and other technology applicable to compositions of matter, formulations, compositions, products or to their manufacture, Development, use or Commercialization.

1.89 "**Law**" shall mean all laws, statutes, ordinances, rules, rulings, treaties, procedures, notices, regulations, writs, judgments, decrees, injunctions (whether preliminary or final), orders and other pronouncements having the effect of law of any Governmental Authority that may be in effect from time to time.

1.90 "**Licensed Know-How**" means all Know-How Controlled by City or any of its Affiliates during the Term that is necessary or reasonably useful to Exploit Licensed Molecules or Licensed Products. Notwithstanding the foregoing, Licensed Know-How does not include any: (a) Patents, (b) Know-How that relates to Other API and does not relate to a Licensed Molecule, or (c) Acquiring Organization Intellectual Property.

1.91 "**Licensed Molecule**" shall mean [***].

1.92 "**Licensed Patents**" shall mean all Patents Controlled by City or any of its Affiliates during the Term that are necessary to make, use, sell, offer to sell or import any Licensed Molecule or a Licensed Product. Notwithstanding the foregoing, Licensed Patents do not include: [***].

1.93 "**Licensed Product**" shall mean any product containing one or more Licensed Molecules, in any dosage form, formulation or method of delivery.

1.94 "**Licensed Technology**" shall mean all Licensed Patents and Licensed Know- How.

1.95 [***]

1.96 "**Manufacture**" shall mean, in respect of a product, the production, manufacture, formulation, processing, filling, finishing, packaging, labeling, shipping and holding of such product or any intermediate thereof, including pre-clinical, clinical and commercial manufacture and analytic development, product characterization, stability testing, quality assurance and quality control.

1.97 "**Materials**" shall mean any tangible chemical or biological material, including any small molecules, DNA, RNA, clones, cells, and any expression product, progeny, derivative or other improvement thereto, along with any tangible chemical or biological material.

1.98 "**Milestone Event**" shall have the meaning set forth in Section 6.4.1.

1.99 "**Milestone Payment**" shall have the meaning set forth in Section 6.4.1.

1.100 "**Molecule-Specific Patents**" shall have the meaning set forth in Section 8.3.1(a).

1.101 "**NDA**" shall mean a new drug application submitted to the FDA pursuant to Section 505(b) of the FD&C Act (21 U.S.C. § 355(b)), and all amendments and supplements thereto, or any comparable filing with any relevant Regulatory Authority in any country or jurisdiction.

1.102 "**Net Sales**" means [***]

(a) [***]

(b) [***]

(c) [***]

(d) [***]

(e) [***]

(f) [***]

(g) [***]

(h) [***]

(i) [***]

Each of the amounts set forth above shall be determined from [***].

With respect to any sale of a Licensed Product in a given country for [***].

[***]

[***]

[***]

[***]

[***]

1 [***]

2 [***]

3 [***]

[***]

1.103 "**NHP Study**" shall mean the non-human primate study contemplated under the Research Plan.

1.104 "**NHP Study Molecule(s)**" shall have the meaning set forth in Section 4.2.

1.105 "**NHP Study Plan**" shall mean the plan approved by the JRC (including if determined by B+L as a result of a NHP Study Plan Deadlock) for undertaking the NHP Study, which shall include a non-binding budget for the estimated Research Costs for the performance thereof and protocol.

1.106 "**NHP Study Plan Deadlock**" shall have the meaning set forth in Section 4.4.

1.107 "**Ordinary Research Costs**" shall mean all Research Costs other than those incurred in performance of the NHP Study Plan.

1.108 "**OSIF Agreement**" shall mean that certain Exclusive License Agreement entered into by and between the Ohio State Innovation Foundation and City Therapeutics, Inc. dated as of October 30, 2023.

1.109 "**OSIF Covered Molecule**" shall have the meaning set forth in Section 3.3.1.

1.110 "**OSIF Patent**" shall mean any Patent licensed to City pursuant to the OSIF Agreement.

1.111 **"Other API"** shall mean an active pharmaceutical ingredient that is not a Licensed Molecule.

1.112 "**Party**" and "**Parties**" shall have the meaning set forth in the preamble hereto.

1.113 "**Patent Challenge**" shall have the meaning set forth in Section 9.5.

1.114 "**Patent Challenge Notice Date**" shall have the meaning set forth in Section 9.5.

1.115 "**Patent Term Extension**" shall have the meaning set forth in Section 8.4.

1.116 "**Patents**" shall mean (a) all patents or patent applications, including any continuations, continuations-in-part, divisions, provisional, converted provisional, continued prosecution or substitute applications, (b) any patent issued with respect to any of the foregoing patent applications, including utility models, petty patents, innovation patents and design patents and certificates of invention, (c) any reissue, reexamination, renewal, restoration or extension (including any supplementary protection certificate and the like) of any of the foregoing patents or patent applications, and (d) all foreign counterparts of any of the foregoing, or as applicable portions thereof or individual claims therein.

1.117 "**Person**" shall mean any individual, corporation, company, partnership, trust, limited liability company, association or other business entity.

1.118 "**Personnel Research Costs**" shall mean the costs of City's or its Affiliates' employees in connection with the performance of the Research Plan (including the NHP Study Plan) (calculated as the FTE Costs).

1.119 "**Phase II Clinical Trial**" shall mean a Clinical Trial of a Licensed Product as a monotherapy or in combination with one or more other products: (a) with the primary endpoint of evaluating its effectiveness for a particular indication or indications, its short term tolerance and safety, but is not intended to be pivotal to support Regulatory Approval for such Licensed Product; or (b) that meets the definition in 21 C.F.R. §312.21(b) or any of its foreign equivalents.

1.120 "**Phase III Clinical Trial**" shall mean a Clinical Trial of a Licensed Product as a monotherapy or in combination with one or more other products: (a) on a sufficient number of patients, which trial (i) is designed to establish that such Licensed Product is safe and efficacious for its intended use, and (ii) is pivotal to support Regulatory Approval for such Licensed Product; or (b) that meets the definition in 21 C.F.R. §312.21(c) or any of its foreign equivalents.

1.121 "**Post-NHP Additional Study**" shall have the meaning set forth in Section 2.9.2.

1.122 "**Post-NHP Additional Study Notice**" shall have the meaning set forth in Section 2.9.2.

1.123 "**Post-NHP Additional Studies End Date**" means the first to occur of: [***].

1.124 "**Post-NHP Additional Studies Update**" shall have the meaning set forth in Section 2.9.2.

1.125 "**Pre-Clinical Data Package**" shall have the meaning set forth in Section 2.9.1.

1.126 "**Program Molecule**" shall have the meaning set forth in Section 1.91.

1.127 "**Proposed Replacement Target**" shall have the meaning set forth in Section 2.8.

1.128 "**Prosecution**" or "**Prosecute**" shall have the meaning set forth in Section 8.2.1.

1.129 "**Receiving Party**" shall have the meaning set forth in Section 1.37.

1.130 "**Regulatory Approval**" shall mean any and all approvals (including applicable pricing and reimbursement approvals), licenses, registrations or authorizations of any Regulatory Authority, in each case, necessary to Commercialize a product in a country (e.g., an NDA).

1.131 "**Regulatory Authority**" shall mean any national, supranational, regional, state or local regulatory agency, administration, department, bureau, commission, council or other governmental entity including the FDA and the EMA and any other agencies in any country involved in the granting or receipt of Regulatory Approvals.

1.132 "**Regulatory Clearance**" means any and all waiting periods under the HSR Act with respect to the transactions contemplated by this Agreement (and any extension thereof, including any agreements (*i.e.*, timing agreements or otherwise) with a Governmental Authority not to consummate the transactions for any period of time) and any and all waiting periods, clearances or approvals in connection with other Regulatory Filings that are otherwise required to consummate the transactions contemplated hereby shall have expired, been terminated, been made, or been obtained.

1.133 "**Regulatory Documentation**" means, with respect to a Licensed Product, all INDs, NDAs, and other regulatory applications submitted to any Regulatory Authority, regulatory materials, drug dossiers, and any other reports, records, correspondence, and other materials with respect to any Regulatory Authority relating to the Licensed Product and required to Develop, Manufacture, or Commercialize the Licensed Product other than Regulatory Approvals.

1.134 "**Regulatory Exclusivity**" means, with respect to a Licensed Product and a country, any data exclusivity or other right of exclusivity (other than Patent exclusivity), granted or afforded by applicable Law or by a Regulatory Authority in such country, that confers exclusive marketing rights with respect to such Licensed Product in such country and prevents the initial market entry of a Generic Product with respect to such Licensed Product.

1.135 "**Regulatory Filings**" shall have the meaning set forth in Section 3.1.2.

1.136 "**Regulatory Filings Contingent Notice**" shall have the meaning set forth in Section 3.1.2.

1.137 "**Regulatory Laws**" means the Sherman Act, 15 U.S.C. §§ 1-7, as amended; the Clayton Act, 15 U.S.C. §§ 12-27, 29 U.S.C. §§ 52-53, as amended; the HSR Act; the Federal Trade Commission Act, 15 U.S.C. § 41-58, as amended; any other federal, state, or foreign law, regulation or decree that are designed or intended to prohibit, restrict, or regulate actions having the purpose or effect of monopolization, restraint of trade, or lessening of competition through merger or acquisition; and all applicable laws in effect from time to time that are designed or intended to prohibit, restrict or regulate actions by foreigners to acquire interests in or control over domestic equities, securities, entities, assets, land or other holdings for reasons of national security or other public policy.

1.138 "**Related Targets**" shall mean [***].

1.139 "**Research Costs**" shall mean the following reasonable and documented costs and expenses incurred by or on behalf of City or its Affiliates in connection with the performance of the Research Plan: [***].

1.140 "**Research Period**" shall mean the period beginning on the Effective Date and ending on the Research Period End Date.

1.141 "**Research Period End Date**" shall mean the earlier of: [***].

1.142 "**Research Plan**" shall mean: (a) the research plan set forth in Schedule 1.142 and; (b) the NHP Study Plan.

1.143 "**Research Plan Termination Notice**" shall have the meaning set forth in Section 9.3.1.

1.144 "**Reverted Product**" means a Licensed Product that, [***]

1.145 "**Royalty Payment**" shall have the meaning set forth in Section 6.6.1.

1.146 "**Royalty Rate**" shall have the meaning set forth in Section 6.6.1.

1.147 "**Royalty Term**" shall have the meaning set forth in Section 6.6.1.

1.148 "**Sales & Royalty Report**" shall mean a written report or reports showing each of: [***].

1.149 "**Sales Milestone Event**" shall have the meaning set forth in Section 6.5.

1.150 "**Sales Milestone Payment**" shall have the meaning set forth in Section 6.5.

1.151 "**Security Regulators**" shall have the meaning set forth in Section 7.6.

1.152 "**Segregate**" means, with respect to any given product or program of an Acquiring Organization, to segregate activities directed to [***]:

(a) [***]

(b) [***].

1.153 "**Senior Officer**" shall mean [***].

1.154 **"siRNA**" means [***].

1.155 "**Sublicense Agreement**" shall mean any agreement under which a sublicense is granted to a Sublicensee under any Licensed Technology licensed to B+L pursuant to Section 3.2.

1.156 "**Sublicensee**" shall mean any Third Party to whom a sublicense is granted under any Licensed Technology licensed to B+L pursuant to Section 3.2 (whether directly or indirectly as a sub-sublicensee at any tier level).

1.157 "**Target**" shall mean: [***].

1.158 "**Target Person**" shall have the meaning set forth in Section 1.4.

1.159 "**Target Replacement Deadline**" shall mean the earlier of: [***].

1.160 "**Target Replacement Notice**" shall have the meaning set forth in Section 2.8.

1.161 "**Term**" shall have the meaning set forth in Section 9.1.

1.162 "**Termination Date**" shall mean the effective date of termination of this Agreement in accordance with its terms.

1.163 "**Territory**" means worldwide.

1.164 "**Third Party**" shall mean any Person who is not a Party or an Affiliate of a Party.

1.39.

1.165 "**Third Party Claims**" shall have the meaning set forth in Section 11.1.

1.166 "**Third Party Compensation**" shall have the meaning set forth in Section

1.167 "**Third Party License**" shall have the meaning set forth in Section 6.6.2(c).

1.168 "**US**" and "**USA**" shall mean the United States of America, including all of its territories and possessions.

1.169 "**USD**" shall mean United States Dollars.

1.170 "**Valid Claim**" shall mean a claim of: (a) an issued and unexpired Patent that has not been abandoned, cancelled or held permanently revoked, unenforceable or invalid by a decision of a court or other governmental agency of competent jurisdiction unappealed within the time allowed for appeal, or that has not been admitted to be invalid or unenforceable through reissue or disclaimer or otherwise; or (b) a pending patent application that was filed and is being prosecuted in good faith and has not been cancelled, withdrawn from consideration, abandoned or finally disallowed without the possibility of appeal or refiling of the application; *provided*, *however*, that Valid Claim shall exclude any such pending claim in an application that has not been granted within [***] following the earliest priority filing date for such application unless and until such claim is granted.

1.171 "**Wind Down Period**" shall have the meaning set forth in Section 9.3.1.

1.172 "**Withholding Taxes**" shall have the meaning set forth in Section 6.7.

1.173 Interpretation. Unless the context of this Agreement otherwise requires: (a) words of one gender include the other gender; (b) words using the singular or plural number also include the plural or singular number, respectively; (c) the terms "hereof," "herein," "hereby," and other similar words refer to this entire Agreement; (d) the words "include", "includes", and "including" when used in this Agreement shall be deemed to be followed by the words "without limitation", unless otherwise specified; (e) the terms "Article" and "Section" refer to the specified Article and Section of this Agreement (unless clear from the context that it refers to an Article or Section of some other document); (f) "or" has the inclusive meaning represented by the phrase "and/or"; (g) the words "will" and "shall" shall have the same meaning; (h) The letter "M" used in connection with the USD figures in this Agreement denotes "million" and the letter "B" used in connection with the USD figures in this Agreement denotes "billion"; and (i) references to a Law include any amendment or modification to such Law and any rules or regulations issued thereunder, whether such amendment or modification is made, or issuance of such rules or regulations occurs, before or, only with respect to events or developments occurring or actions taken or conditions existing after the date of such amendment, modification or issuance, after the date of this Agreement, but only to the extent such amendment or modification, to the extent it occurs after the date hereof, does not have a retroactive effect. Whenever this Agreement refers to a number of days, unless otherwise specified, such number shall refer to calendar days.

ARTICLE 2
RESEARCH AND DEVELOPMENT COLLABORATION

2.1 Conduct of Research Plan. City shall use Commercially Reasonable Efforts to perform all activities set forth in the Research Plan prior to [***]. City and B+L will conduct their activities under the Research Plan in accordance with good scientific standards and practices and the terms of the Research Plan and in compliance in all material respects with the requirements of GLP, GMP, GCP, as applicable, and all applicable Laws, including the Animal Welfare Act (AWA) for any USDA-covered species. In addition, laboratory animal work will be performed in a manner consistent with the guidance of an internal Institutional Animal Care and Use Committee (IACUC) and the recommended guidelines of the American Association of Laboratory Animal Science (AALAS). In the case of work performed at City's facility, the internal vivarium shall also be subject to inspection by the Commission of Laboratory Animals of the Cambridge Public Health Department.

2.2 Preparation of NHP Study Plan and Conduct of NHP Study.

2.2.1 At the request of either Party, the Parties shall promptly and jointly prepare a draft of the plan for undertaking the NHP Study ("**Initial NHP Study Plan**") for the purpose of allowing for completion of the NHP Study in the timeframe contemplated under the Research Plan. City shall be primarily responsible for preparing the Initial NHP Study Plan and shall incorporate all reasonable comments from B+L in connection therewith. Following completion of the draft, City shall provide a copy of the Initial NHP Study Plan to the JRC for review. Thereafter, B+L and City shall use Commercially Reasonable Efforts to finalize an NHP Study Plan (to be completed without unreasonable delay), including a non-binding budget for the expected Research Costs for the performance of such NHP Study Plan and study protocol and the selection of NHP Study Molecules. If B+L is conducting Additional B+L Studies (as defined below) to evaluate Program Molecules, then, with respect to B+L, such Commercially Reasonable Efforts shall include completing such Additional B+L Studies in a reasonably prompt manner (or terminating such Additional B+L Studies if B+L decides they are no longer necessary). City shall use Commercially Reasonable Efforts to perform all activities set forth in the NHP Study Plan not intended to be performed by the contract research organization ("**CRO**") and shall oversee and coordinate with the CRO with respect to those activities set forth in the NHP Study Plan to be performed by the CRO, in accordance with the terms of the Research Plan (including the NHP Study Plan), in accordance with good scientific standards and practices, and in compliance in all material respects with the requirements of GLP, GMP, GCP, as applicable, and all applicable Laws.

2.2.2 B+L may, at its own cost, conduct studies to evaluate Program Molecules prior to the NHP Study ("**Additional B+L Studies**"). Within [***] after the end of each Calendar Quarter, B+L shall provide City with a written summary of the primary activities undertaken with respect to any Additional B+L Studies in such most recently ended Calendar Quarter. If applicable, within [***] of completion of any Additional B+L Study, B+L shall provide City with material data and results generated from such Additional B+L Studies (it being understood that B+L shall not be obligated to generate any particular data, or analyze, compile or organize any data that is generated, in relation to any Additional B+L Studies). Prior to making Development Candidate Selection, B+L shall not [***]. Unless and until the JRC has determined a NHP Study Plan, B+L shall use Commercially Reasonable Efforts to terminate or promptly conduct and complete (or terminate) all Additional B+L Studies (if any) (the "**Additional B+L Studies Efforts Obligation**").

2.3 Research Costs. For purposes of B+L's internal budgeting process, within [***] days of the Effective Date, City shall provide to B+L a reasonable estimate of the portion of the Budget Amount and the NHP Study Plan budget that City expects to utilize both during the period ending on [***] and the period ending on the [***]. City shall provide to B+L a reasonable estimate within [***] of the portions of the Budget Amount and the NHP Study Plan budget that City expects to utilize during the fiscal year ending on [***]. City shall use Commercially Reasonable Efforts to perform its activities set forth in the Research Plan (other than the NHP Study) within the Budget Amount, including all costs and expenses associated with its use of any Third Party's resources or facilities in connection therewith. City shall use Commercially Reasonable Efforts to perform its activities set forth in the NHP Study Plan within the budget included in the NHP Study Plan, including all costs and expenses associated with its use of any Third Party's resources or facilities in connection therewith. B+L shall use Commercially Reasonable Efforts to perform its activities set forth in the Research Plan (including, if applicable, the NHP Study Plan) at B+L's sole cost and expense, including all costs and expenses associated with its use of any Third Party's resources or facilities in connection therewith.

2.4 Payment of Research Costs. B+L shall reimburse City for all Research Costs incurred by City (including, without limitation, for the NHP Study). Notwithstanding the foregoing, B+L has no obligation to reimburse City for aggregate Ordinary Research Costs in excess of the Budget Amount. After the last day of each calendar month in which City incurs costs in conducting activities under the Research Plan, City shall provide B+L with (a) a report of all Research Costs that were incurred by City in performing such activities in such calendar month, and (b) an invoice for the amount of such Research Costs. B+L shall pay the amount of invoices provided pursuant to this Section 2.4 within [***].

2.5 Subcontracts. City and B+L may perform activities under the Research Plan through one or more Third Party subcontractors, provided that (a) none of the rights of a Party under this Agreement are materially adversely affected as a result of the other Party's subcontracting; (b) any such Third Party subcontractor to whom a Party discloses Confidential Information of the other Party shall enter into an appropriate written agreement obligating such Third Party to be bound by obligations of confidentiality and restrictions on use of such other Party's Confidential Information that are no less restrictive than the obligations of the disclosing Party in this Agreement; (c) City shall obligate its subcontractors to agree in writing to assign or license (with the right to grant sublicenses) to City any inventions (and patent rights covering such inventions) created by such Third Party in performing such services for City that are necessary to the research, Development, Manufacture, or Commercialization of Program Molecules; and (d) the Party shall at all times be responsible for the acts and omissions of its subcontractors as if they are such Party's acts and omissions. Subcontracting shall not relieve a Party of its obligations or liability under this Agreement, and each Party will remain responsible for the performance of its obligations hereunder notwithstanding any such subcontracts.

2.6 Materials. Each Party may, as a matter of course as described in the Research Plan, furnish to the other Party samples of Materials that it Controls and that are necessary for the other Party to carry out its responsibilities under the Research Plan. Neither Party shall use such Materials provided by the other Party except in performance of the Research Plan or as otherwise licensed under this Agreement. Except with the prior written consent of the supplying Party, the Party receiving any Materials will not distribute or otherwise allow the release of Materials to any Third Party, except for subcontracting (subject to the provisions of Section 2.5) as permitted hereunder. All Materials will remain the sole property of the supplying Party, will be used in compliance with all applicable Laws, and will be used with prudence and appropriate caution in any experimental work because not all of their characteristics may be known.

2.7 Records; Reports; Monthly Updates.

2.7.1 Records. City will maintain and cause its employees and subcontractors to maintain, records and laboratory notebooks of its research activities under the Research Plan in sufficient detail and in a good scientific manner appropriate for regulatory and intellectual property protection purposes, during the Term and for [***] thereafter. If requested by B+L, City will provide B+L with a copy of any such records to the extent specific to or materially related to any Program Molecule.

2.7.2 Reports. City will provide quarterly updates and reports to B+L through the JRC regarding (a) the cumulative Research Costs, and (b) the Research Plan activities and results, including summaries of the data and information generated and, if reasonably requested by B+L, any raw data relating to the Research Plan, including activities thereunder to the extent specific to or materially related to any Program Molecule, summaries of data associated with the research activities and an assessment of progress under and the estimated timetable for completion of the Research Plan, advancement of Program Molecules to the next phase of research. City shall provide any such written summaries to JRC members at least [***] in advance of the applicable quarterly JRC meeting.

2.7.3 Monthly Updates. City will provide monthly updates regarding the Research Plan activities and results to the JRC.

2.8 Target Replacement Option. B+L may replace the Target [***] and only with a proposed replacement target in the Field on the terms set forth in this Section 2.8. If B+L wishes to replace the Target, B+L shall notify City of the proposed replacement target (the "**Proposed Replacement Target**") prior to the Target Replacement Deadline (such notice, the "**Target Replacement Notice**"). Within [***] following receipt of the Target Replacement Notice, City shall notify B+L in writing stating either: (a) if true, that City is contractually obligated to perform research for or to license Patents or Know-How to a Third Party with respect to such Proposed Replacement Target (or molecules that inhibit the expression of such Proposed Replacement Target) ("**Committed Target Notice**"); or, alternatively, (b) that the Proposed Replacement Target is confirmed as the new Target ("**Confirmation Notice**"). The Target shall be replaced with the Proposed Replacement Target if: (i) City does not provide Committed Target Notice within [***] following its receipt of Target Replacement Notice; or (ii) City provides Confirmation Notice. If City provides a Committed Target Notice, then B+L may continually resubmit Target Replacement Notice in accordance with this Section 2.8 until the earlier of: (A) the date a Target Replacement Notice results in a new Target in accordance with this Section 2.8; or (B) the later of: [***]. For clarity, if a Target Replacement Notice is submitted by B+L prior to the Target Replacement Deadline, B+L may continue to submit one or more Target Replacement Notice(s) after the Target Replacement Deadline until a Confirmation Notice is received by B+L, as long each Target Replacement Notice is submitted within [***] of City's prior Committed Target Notice. For clarity, upon the provision or deemed provision of Confirmation Notice, the Target shall no longer mean [***] and instead shall mean the Proposed Replacement Target for which Confirmation Notice is provided (or deemed provided).

2.9 Pre-Clinical Data Package.

2.9.1 City shall deliver to B+L a data package of the results and data for the data points set out in Schedule 2.9 with respect to such NHP Study Molecules (the "**Pre-Clinical Data Package**") promptly after the completion of the Research Plan (but no later than [***] after such completion). B+L may, within [***] after receipt of what City intends as a Pre-Clinical Data Package, notify City that such purported Pre-Clinical Data Package is incomplete in a manner describing the precise data points B+L believes must be provided to complete such purported Pre-Clinical Data Package ("**Incomplete Data Package Notice**"). If B+L provides such Incomplete Data Package Notice within [***] after receipt of such purported Pre-Clinical Data Package and the Pre-Clinical Data Package is incomplete or B+L reasonably requests additional information that is in City's or its Affiliates' possession and was created in performance of the Research Plan, then City shall promptly update the purported Pre-Clinical Data Package with the information reasonably requested by B+L that would make such purported Pre-Clinical Data Package a complete Pre-Clinical Data Package (but no later than [***] after City's receipt of such Incomplete Data Package Notice, which [***] period shall automatically be extended to [***] at City's request as long as City is diligently working on updating the purported Pre-Clinical Data Package). Notwithstanding anything to the contrary, a purported Pre-Clinical Data Package shall, without limitation, be deemed a complete Pre-Clinical Data Package if B+L does not provide Incomplete Data Package Notice within [***] after receipt of such purported Pre-Clinical Data Package.

2.9.2 If B+L reasonably determines in good faith that additional pre-clinical studies of any Primary Molecules are necessary for B+L to determine whether to make Development Candidate Selection, then B+L shall, within [***] after receiving a complete Pre-Clinical Data Package, promptly notify City of the additional studies it intends to conduct for such purpose (each an "**Post-NHP Additional Study**" and such notice, "**Post-NHP Additional Study Notice**") and shall use Commercially Reasonable Efforts to promptly conduct and complete (or terminate) all Post-NHP Additional Studies. Within [***] after the end of [***], B+L shall provide City with a written summary of the material activities undertaken with respect to the Post-NHP Additional Studies in such [***] period (each an "**Post-NHP Additional Studies Update**"). If applicable, within [***] of completion of any Post-NHP Additional Study, B+L shall provide City with material data and results generated from such Post-NHP Additional Study (it being understood that B+L shall not be obligated to generate any particular data, or analyze, compile or organize any data that is generated, in relation to any Post-NHP Additional Study). For all purposes of this Section 2.9.2, Post-NHP Additional Studies shall not include (and, prior to making Development Candidate Selection, B+L shall not perform or have performed with a Program Molecule) any toxicology study intended to meet the requirements for filing an IND.

ARTICLE 3

DEVELOPMENT CANDIDATE SELECTION; LICENSE GRANTS

3.1 Development Candidate Selection.

3.1.1 Subject to Section 3.1.2, B+L may, at any time during the Development Candidate Selection Period, make the "**Development Candidate Selection**" by: (a) notifying City that B+L is selecting one or more Licensed Molecules as clinical candidates (without the need to specify the Licensed Molecule it intends for such selection) ("**Development Candidate Selection Notice**"); and (b) paying City a non-refundable fee in an amount equal to [***] ("**Development Candidate Selection Payment**"). Upon Development Candidate Selection, City will, and upon Development Candidate Selection hereby does, grant to B+L the license set forth in Section 3.2.

3.1.2 If B+L determines or reasonably believes that any Regulatory Filings may be required in connection with making the Development Candidate Selection and/or the grant of the license by City to B+L in connection therewith, then, during the Development Candidate Selection Period, B+L shall notify City that it is making the Development Candidate Selection subject to Regulatory Clearance (along with such other information required in the Development Candidate Selection Notice) ("**Regulatory Filings Contingent Notice**"). The Parties shall use their respective commercially reasonable efforts to promptly file or cause to be filed, within [***] from the delivery of the Regulatory Filings Contingent Notice, any required filings under the HSR Act, and shall make or cause to be made as promptly as practicable and advisable any other filings that B+L reasonably determines in good faith to be necessary or appropriate to consummate the transactions contemplated by the Agreement, including the Development Candidate Selection and/or the grant of the license by City to B+L in connection therewith (collectively, the "**Regulatory Filings**"). The Parties shall also use their respective commercially reasonable efforts to (x) respond to any inquiries or requests for information and documentary material received from any Governmental Authority in connection with the Regulatory Filings and (y) otherwise take such actions so as to promptly obtain Regulatory Clearance. In connection with the Regulatory Filings, each Party shall (i) consult and cooperate with each other in the preparation of such filings or related submissions to any Governmental Authority, (ii) promptly inform the other Party of any material communication received by such Party from any Governmental Authority regarding the transactions contemplated by the Agreement, (iii) furnish to the other Party all information required for any such filings or related submissions to any Governmental Authority and provide the other Party with an opportunity to review in advance and comment on any material filings or submissions, including, if requested, considering in good faith, reasonable additions, deletions or changes suggested in connection therewith (provided that no Party shall be required to provide copies of filing(s) made pursuant to the HSR Act and other materials may be redacted or withheld (A) to remove business or commercially sensitive material; (B) as necessary to comply with contractual arrangements or applicable Law; and (C) as necessary to address reasonable attorney-client or other privilege or confidentiality concerns), (iv) not participate in any material meeting with any Governmental Authority regarding the transactions contemplated by the Agreement unless it first consults with the other Party in advance, and to the extent permitted by the Governmental Authority, gives the other Party the opportunity to be present thereat, and (v) not agree to any voluntary extension of any statutory deadline or waiting period or to any voluntary delay of the consummation of the transactions contemplated by the Agreement at the behest of any Governmental Authority without the prior written consent of the other Party (such consent not to be unreasonably withheld, conditioned or delayed). [***]. For the avoidance of doubt, neither City nor its Affiliates shall take any of the actions in the immediately preceding sentence without B+L's prior written consent, which consent may be withheld at the sole discretion of B+L.

3.1.3 If B+L provides Regulatory Filings Contingent Notice: (a) Development Candidate Selection (and the grant of the license by City to B+L in connection therewith) will not be effective (and payment of the Development Candidate Selection Payment will not be required) unless and until all Regulatory Clearance occurs and, at such time, B+L shall make the Development Candidate Selection Payment to City no later than [***] after receipt of such Regulatory Clearance; and (b) the Development Candidate Selection Period shall be extended until Regulatory Clearance has occurred. If the original Development Candidate Selection Period (i.e., other than as extended pursuant to this Section 3.1.3) would have expired prior to the receipt of all Regulatory Clearance, then B+L shall pay to City the Development Candidate Selection Payment no later than [***] after such receipt.

3.1.4 This Agreement shall expire in accordance with Section 9.1 if: (a) the Development Candidate Selection Period expires and B+L has neither (i) made a Development Candidate Selection in accordance with Section 3.1.1 or 3.1.3 (including by paying the Development Candidate Selection Payment), nor (ii) provided Regulatory Filings Contingent Notice in accordance with Section 3.1.2; or (b) B+L has determined (and notified City accordingly, which it shall be required to do promptly following making such determination) that it is no longer commercially reasonable to continue to seek to obtain Regulatory Clearance and that therefore it will not effectuate the Development Candidate Selection (each of (a)-(b) a "**Development Candidate Selection Termination Condition**"). In such case, the license granted pursuant to Section 3.2 shall never apply, and City shall be free to Exploit any and all Licensed Molecules and Licensed Products, alone or with Third Parties, without any further obligation to B+L (except pursuant to any royalty obligations set forth in Section 3.5, if applicable).

3.2 License Grant. Effective as of B+L's exercise of the Development Candidate Selection pursuant to Section 3.1 and subject to the terms and conditions of this Agreement, City, on behalf of itself and its Affiliates, shall grant and does hereby grant to B+L and its Affiliates, an exclusive, royalty-bearing, worldwide, sublicensable (subject to Section 3.4), non-transferable (except pursuant to Section 12.1) license, under the Licensed Technology to Exploit the Licensed Molecules and Licensed Products in the Field in the Territory.

3.3 Additional Patents.

3.3.1 Notwithstanding Section 3.2 or anything to the contrary, neither City nor any of its Affiliates grant any sublicense to B+L under (and Licensed Patents do not include) any OSIF Patents. City shall promptly inform B+L in writing of each Licensed Molecule that City creates in performance of the Research Plan that is Covered by any OSIF Patent (each an "**OSIF Covered Molecule**").

3.3.2 If: (a) City creates OSIF Covered Molecules in performance of the Research Plan; and (b) the JRC determines that such OSIF Covered Molecules should be the Licensed Molecules that are advanced to non-GLP non-human primate studies in performance of the Research Plan, then, upon B+L's written request City shall [***]. Notwithstanding anything to the contrary, City (and not B+L) shall be responsible for all payments to OSIF with respect to such sublicense.

3.4 Sublicenses. B+L shall have the right to grant sublicenses, in whole or in part, under the licenses granted in Section 3.2 to its Affiliates or Sublicensees; *provided, however*, that B+L (a) shall ensure that the terms of any Sublicense Agreement are consistent with this Agreement, and (b) shall remain responsible for compliance with the terms of this Agreement. B+L's rights to sublicense are limited to those expressly set forth in this Section 3.4 and any sublicense which is not granted in accordance with the terms and conditions of this Section 3.4 is hereby deemed null and void. B+L shall provide City with a copy of any Sublicense Agreement, and any amendment thereto, within [***] after its execution; *provided* that B+L shall have the right to redact from such copy of such Sublicense Agreement or amendment thereto (i) any information which B+L determines in good faith to be necessary to redact in order to protect any of its or its Sublicensee's confidential or proprietary information that is not necessary in order to confirm compliance with B+L's obligations under this Agreement, and (ii) any financial terms.

3.5 City Royalty. If this Agreement expires or terminates after the City Royalty Event, and City (or its Affiliates or licensees) subsequently Commercializes a Licensed Molecule created in performance of the Research Plan, then City shall pay to B+L a [***] royalty on Net Sales (where references to "B+L" in the definition of Net Sales will be replaced with "City") of products containing such Licensed Molecule in the Territory (the "**City Royalty Payment**"). The City Royalty Payment shall be payable to B+L until [***]. The City Royalty Payment shall be made subject to and in accordance with the terms set forth in Article 6 (including the royalty reductions set forth in Section 6.6.2), in each case applied mutatis mutandis with respect to City Royalty Payments payable by City.

3.6 Exclusivity.

3.6.1 During the Exclusivity Period, City shall not, itself or with or through any Affiliate or Third Party, research, Develop, Manufacture or Commercialize any Competing Product in the Field.

3.6.2 During the period beginning on [***], City shall not, itself or with or through any Affiliate or Third Party, research, Develop, Manufacture or Commercialize any Competing Research Product in the Field.

3.6.3 During the period beginning on the Effective Date and ending on the earlier of [***], City shall not research, Develop, Manufacture or Commercialize any molecule, product or target on behalf of a Third Party (e.g., a licensee of the results of such activities) [***]. For clarity, this Section does not restrict City or its Affiliates from conducting any activity on its own behalf with respect to [***].

3.6.4 [***].

3.7 No Implied Rights. Neither Party grants any right or license to the other Party under any Know-How, Patent or other intellectual property rights of such Party except as expressly granted in this Agreement. All rights not expressly granted by a Party under this Agreement are reserved to such Party.

3.8 Technology Transfer. As soon as reasonably practicable following the effectiveness of the Development Candidate Selection, City shall deliver to B+L, [***]: (a) all material Licensed Know-How, and (b) other Licensed Know-How reasonably requested by B+L within [***] of B+L's exercise of the Development Candidate Selection, in each case of (a) and (b), to the extent such Licensed Know-How is in City's possession and Control that is related to the Licensed Molecules and was not otherwise part of the Pre-Clinical Data Package. City shall use Commercially Reasonable Efforts with respect to those activities for which it is responsible to ensure orderly transition and uninterrupted development thereof. If City becomes aware (including as a result of written notice from B+L) and confirms that any material Licensed Know-How related to the Licensed Molecules in its possession and Control as of the date of the Development Candidate Selection were not included in the Pre-Clinical Data Package or the Licensed Know-How transferred to B+L pursuant to this Section 3.8, then City shall promptly notify B+L of such determination, and City shall promptly take such actions as may be reasonably necessary to deliver such Licensed Know-How, as applicable, to B+L.

3.9 Cooperation. Following the Development Candidate Selection, and until the date that is [***], City shall use Commercially Reasonable Efforts, [***], to make its relevant personnel reasonably available to B+L, at reasonable times during City's normal business hours and upon reasonable prior notice, to answer any questions or provide instruction as reasonably requested by B+L concerning the Licensed Technology or otherwise in connection with Development of the Licensed Products. B+L shall pay City for the aggregate time of City's personnel spent in answering such questions and providing such instruction in excess of the [***] aggregate FTE hours in any calendar month. Such time shall be charged at the FTE Rate [***] and B+L shall pay City such amounts within [***].

3.10 CMC Transfer. Following the Development Candidate Selection, and until the date that is [***], City shall have no obligation to deliver any CMC Licensed-Know How pursuant to Section 3.8 and/or Section 3.9 unless requested by B+L. If B+L requests CMC Licensed Know-How and/or related assistance of City personnel, then City shall provide such CMC Licensed Know-How and/or related assistance, and B+L shall promptly reimburse City for all reasonable and documented out-of-pocket and internal costs incurred by City in providing CMC Licensed Know-How and assistance. City shall have no obligation to make its personnel available to B+L for more than [***] in the aggregate across all personnel. B+L shall pay City for the aggregate time of City's personnel spent in answering such questions and providing such assistance. Such time shall be charged at the FTE Rate [***] and B+L shall pay City such amounts within [***]. This Section 3.10 shall apply notwithstanding anything to the contrary in Section 3.8 or Section 3.9.

ARTICLE 4
JOINT RESEARCH COMMITTEE

4.1 Establishment of Joint Research Committee. Within [***] after the Effective Date, the Parties shall establish a joint research committee (the "**Joint Research Committee**" or "**JRC**") consisting of an appropriate number of representatives as may be agreed upon by the Parties, with an equal number of representatives designated by each Party. The initial members of the JRC will be nominated by the Parties promptly following the Effective Date. Such representatives shall be individuals suitable in seniority and experience and having delegated authority to make decisions of the JRC with respect to matters within the scope of the JRC's responsibilities. The JRC shall have no authority to alter, amend or waive the terms and conditions of this Agreement (including any payment conditions or terms, periods for performance, or obligations of the Parties) or the Research Plan. A Party may change one or more of its representatives serving on the JRC at any time upon notice to the other Party, *provided* that such replacement is of comparable (or greater) authority and scope of functional responsibility within that Party's organization as the person he or she is replacing. The JRC shall remain in effect until the first to occur of (a) the expiration or earlier termination of this Agreement, and (b) the Development Candidate Selection.

4.2 Responsibilities. The JRC shall oversee the performance of the Research Plan. The JRC shall also be responsible for finalizing the NHP Study Plan consistent with the data necessary for the Pre-Clinical Data Package as set forth on Schedule 2.9 and, as part of such finalization shall determine which Program Molecule(s) to advance to the NHP Study (each, an "**NHP Study Molecules**"), and perform such other functions as are specifically designated for the JRC in this Agreement or that the Parties mutually agree in writing to refer to the JRC. The JRC shall not select more than [***] Program Molecules as NHP Study Molecules without each Party's written consent.

4.3 Meetings. The JRC shall meet in person (a) as mutually agreed between the Parties, (b) as required to review the Initial NHP Study Plan submitted for its review (c) as required to review any proposed amendments to the Research Plan submitted by either Party, and (d) as required to resolve disputes, disagreements or deadlocks unresolved by the JRC, in each case, on such dates, and at such places and times, as the Parties shall agree; *provided* that the Parties shall endeavor to have the first meeting of the JRC within [***] after its establishment. As appropriate, the JRC may invite a reasonable number of non-voting employees, consultants and scientific advisors to attend its meetings as non-voting observers, *provided* that such invitees are bound by confidentiality obligations at least as stringent as the provisions set forth herein. For clarity, except for the approval of the NHP Study Plan, the JRC has no authority to amend the Research Plan; any amendment of the Research Plan will be in accordance with Section 12.9.

4.4 Decisions. All decisions of the JRC shall be made by unanimous vote, with each Party having one (1) vote. In order to make any decision, the JRC must have present (in person or via telephone or videoconference) and voting at least one (1) representative of each Party. Subject to the terms of this Agreement, if the JRC does not resolve a matter within [***], or such shorter time as may be determined by the Parties, after it begins discussing any such delegated matter (a "**Committee Deadlock**"), then the JRC shall escalate such Committee Deadlock to the Senior Officers for resolution by consensus. If following consideration by the Senior Officers for a period of up to [***] there is still no consensus, then [***] shall have the final decision-making authority with respect to such Committee Deadlock. For clarity, if there is a Committee Deadlock with respect to finalizing an NHP Study Plan (a "**NHP Study Plan Deadlock**") then [***] shall decide what constitutes the final NHP Study Plan. A NHP Study Plan Deadlock cannot occur unless and until there are no Additional B+L Studies being conducted.

ARTICLE 5
DEVELOPMENT, MANUFACTURING AND COMMERCIALIZATION

5.1 Diligence Obligations. Following Development Candidate Selection, B+L shall at all times use Commercially Reasonable Efforts to seek Regulatory Approval for [***] Licensed Product for [***] indication in [***]. Following Regulatory Approval of a Licensed Product in [***], B+L shall use Commercially Reasonable Efforts to Commercialize the Licensed Product in such country.

5.2 Development Responsibility. Other than as set forth in Section 5.1, from and after Development Candidate Selection, B+L will, subject to the terms of this Agreement, be solely responsible and have sole decision-making authority, at its expense, for the Development of the Licensed Molecules and Licensed Product in the Field in the Territory.

5.3 Regulatory Responsibility. Other than as set forth in Section 5.1, from and after Development Candidate Selection, B+L shall (i) have the sole decision-making authority to determine the regulatory plans and strategies for the Licensed Product in the Field in the Territory, (ii) be responsible for making all regulatory submissions and filings with respect to the Licensed Product in the Field in the Territory, (iii) be responsible for interfacing, corresponding, and meeting with the applicable Regulatory Authorities, including the FDA, regarding the Licensed Product in the Field in the Territory and (iv) be responsible for obtaining and maintaining Regulatory Approvals for the Licensed Products in the Field in the Territory in the name of B+L or its Affiliates, Sublicensees, or distributors.

5.4 Commercialization Responsibility. Other than as set forth in Section 5.1, from and after Development Candidate Selection, B+L will be solely responsible, at its sole cost and expense, for Commercializing all Licensed Products in the Field in the Territory. Other than as set forth in Section 5.1, all decisions regarding Commercialization of the Licensed Products in the Field in the Territory, including the design, sale, pricing, and promotion of the Licensed Products in the Field in the Territory under this Agreement, shall be within the sole discretion of B+L and its Affiliates.

ARTICLE 6
FINANCIAL PROVISIONS

6.1 Upfront Payment. Within [***], B+L shall make a one-time lump sum payment to City of Five Million Dollars (USD$5,000,000), which payment shall be non-refundable, non-contingent and non-creditable against other payments due hereunder.

6.2 Convertible Note. On the Effective Date, B+L will purchase from City for Ten Million Dollars (USD$10,000,000) a convertible promissory note with a principal amount of Ten Million Dollars (USD$10,000,000) pursuant to the terms of a Note Purchase Agreement and accompanying Convertible Promissory Note, in the forms attached hereto as Exhibit 6.2. At the Effective Date, City shall deliver to B+L an executed Convertible Promissory Note against payment of the purchase price therefor by wire transfer to a bank account designated by City within [***].

6.3 Development Candidate Selection Payment. If B+L makes a Development Candidate Selection, B+L shall pay City the Development Candidate Selection Payment [***] (and, if B+L provides Regulatory Filings Contingent Notice, effectiveness) of the Development Candidate Selection as set forth in Section 3.1. Such payment shall be non-refundable, non-contingent and non-creditable against other payments due hereunder. For clarity, only [***].

6.4 Development and First Commercial Sale Milestone Payments.

6.4.1 B+L shall pay City the following non-refundable and non-creditable milestone payments (each, a "**Milestone Payment**") upon achievement of each of the corresponding milestone events (each, a "**Milestone Event**") by or on behalf of B+L, any of its Affiliates, or any Sublicensees:

#	**Milestone Event**	**Milestone Payment (USD)**
1.	[***]	[***]
2.	[***]	[***]
3.	[***]	[***]
4.	[***]	[***]
5.	[***]	[***]
6.	[***]	[***]

Each Milestone Payment shall be deemed earned as of the first achievement of the corresponding Milestone Event. B+L shall provide City with notice of the achievement of each Milestone Event and shall pay City the corresponding Milestone Payment within [***] after the applicable Milestone Event is first achieved. [***].

6.4.2 For Section 6.4.1:

(a) [***].

(b) [***].

6.5 Sales Milestone Payments. Subject to the terms of this Agreement, B+L shall make the following payments to City (each a "**Sales Milestone Payment**") after the achievement of the applicable event set forth below (each a "**Sales Milestone Event**"). Each of the Sales Milestone Payments are payable only once and, accordingly, the total payments made to City pursuant to this Section 6.5 shall not exceed [***]. Achievement of the Sales Milestone Events for a Calendar Year shall be based on aggregate Annual Net Sales of all Licensed Products in the Field in the Territory in such Calendar Year. B+L will notify City and shall pay to City the corresponding Sales Milestone Payment [***] in which the applicable Sales Milestone Event is achieved, provided that, [***].

Sales Milestone Event	**Sales Milestone Paymen (USD)**
[***]	[***]
[***]	[***]
[***]	[***]

6.6 Royalties.

6.6.1 Royalty Rates. B+L shall pay City a percentage of Annual Net Sales of each Licensed Product (the "**Royalty Rate**") in each Calendar Quarter as set forth in this Section 6.6 ("**Royalty Payment**"). The Royalty Payment shall be payable to City after each Calendar Quarter on a Licensed Product-by-Licensed Product basis and country-by-country basis until [***].

Worldwide Annual Net Sales of the applicable Licensed Product	**Royalty Rate**
[***]	[***]
[***]	[***]
[***]	[***]

Determination of the applicable Royalty Rate shall be based on aggregate Annual Net Sales of each applicable Licensed Product (not all Licensed Products) in the Field in the Territory. For clarity, each Royalty Rate set forth in the table immediately above shall only be applied to the Annual Net Sales within the applicable royalty range. For example, the total royalties due for a Licensed Product in a Calendar Year (i.e., the aggregate of the royalty payments for each of the four Calendar Quarters in such Calendar Year) with Annual Net Sales of [***] would be calculated as follows:

[***] =	[***]	[***]
	[***]	[***]
	[***]	[***]
	[***]	[***]

[***].

6.6.2 Royalty Reductions. Subject to Section 6.6.3, on a Licensed Product-by-Licensed Product basis and country-by-country basis:

(a) [***].

(b) [***].

(c) [***].

6.6.3 Royalty Floor. In no event will the total reductions under Section 6.6.2 reduce any Royalty Payment payable to City, with respect to a given Licensed Product in a given country in any Calendar Quarter, by more than [***] of the amount that would otherwise be payable for such Licensed Product in such country in such Calendar Quarter if such reductions were not made.

6.7 Taxes. Except as otherwise set forth in this Section 6.7, each Party shall be responsible for its own taxes, duties, levies, imposts, assessments, deductions, fees, withholdings or similar charges imposed on or measured by net income or overall gross income (including branch profits), gross receipts, capital, ability or right to do business, property, and franchise or similar taxes pursuant to applicable Law. [***]. B+L shall submit reasonable proof of payment of the Withholding Taxes within a reasonable period of time after such Withholding Taxes are remitted to the Governmental Authority. [***]. The Parties shall reasonably cooperate to eliminate or minimize any Withholding Taxes. [***].

6.8 Statements and Payment. Within [***] after each Calendar Quarter during the term of this Agreement following the First Commercial Sale of a Licensed Product, B+L will provide to City a Sales & Royalty Report and shall pay the applicable royalty amount.

6.9 Currency Exchange. For any currency conversion required in determining the amount of payments due hereunder, the amount in foreign currencies shall be converted into USD using [***].

6.10 Payment Method. All payments due to a Party hereunder shall be made via wire transfer of immediately available USD funds from a bank in the United States to an account designated in writing by that Party to the other Party.

6.11 Records Retention; Financial Audit.

6.11.1 Record Retention. Each Party shall maintain complete and accurate books, records and accounts for the calculation of Research Costs, reporting and payment of Withholding Taxes, and Royalty Payments due, as applicable, in sufficient detail to confirm the accuracy of any Research Cost reports and any Royalty Payments required under this Agreement, which books, records and accounts shall be retained until [***] after the end of the period to which such books and records pertain.

6.11.2 Financial Audit. Each Party (the "**Auditing Party**") shall have the right to have an independent certified public accounting firm of internationally recognized standing reasonably acceptable to the other Party (the "**Audited Party**") have access during normal business hours, upon reasonable prior notice, to such of the records of the Audited Party and its Affiliates as may be required to verify the accuracy of the calculation of Research Costs, Net Sales and Royalty Payments incurred or due for any year ending not more than [***] prior to the date of such request. Such verifications may not (a) be conducted for any Calendar Quarter more than [***] after the end of such Calendar Quarter, (b) be conducted more than once in any [***] period or (c) be repeated for any period unless, subject to the foregoing clauses (a) and (b), a subsequent verification uncovers a material error that is reasonable for the Auditing Party to assume existed in previously audited records. The independent certified public accounting firm shall disclose to the Auditing Party only the amounts which the independent certified public accounting firm believes to be inaccurate, with respect to Research Costs, or due and payable hereunder to City, with respect to Royalty Payments, shall provide a copy of same to the Audited Party, and shall disclose no other information revealed in such audit. Any and all records of the Audited Party and its Affiliates examined by such independent certified public accounting firm shall be deemed the Audited Party's Confidential Information, which may not be disclosed by said independent certified public accounting firm to any Third Party or (except for the information expressly sought to be confirmed by the Auditing Party as set forth in this Section 6.11.2) to the Auditing Party. The Auditing Party shall bear all costs of such audit, unless the audit reveals a discrepancy in its favor of more than [***] in which case the Audited Party shall bear the cost of the audit. The result of the audit shall, in the absence of manifest error, be final and binding on the Parties.

6.11.3 Payment of Additional Amounts. If, based on the results of any audit conducted under Section 6.11.2, payments are owed to a Party under this Agreement, then the other Party shall make such payments within [***] after the accounting firm's written report is delivered to the Parties, with interest calculated thereon in accordance with Section 6.12.

6.12 Interest on Late Payments. Any failure by either Party to make a payment of any undisputed amount when due shall obligate that Party to pay interest to the other Party on the amount unpaid at [***] (or, if lower, the maximum rate permitted by applicable Law) calculated on a daily basis and payable for the period from the date payment is due until the date payment is actually made, without prejudice to the recipient's right to receive payment on the due date.

ARTICLE 7
CONFIDENTIALITY

7.1 Protection of Confidential Information. The Receiving Party shall not, and shall cause its Affiliates and its and their officers, directors, employees and agents not to, disclose or disseminate Confidential Information of the Disclosing Party to any Third Party unless expressly permitted hereunder, and shall not use such Confidential Information for any purpose other than in performing the Receiving Party's obligations or exercising the Receiving Party's rights under this Agreement. In addition, the Receiving Party shall take, and shall cause its Affiliates to take, reasonable steps to protect the Confidential Information of the Disclosing Party from unauthorized use or disclosure, which steps shall be no less than those the Receiving Party takes to protect its own confidential or proprietary material of a similar nature. City shall not, and, to the extent such information is disclosed to its Affiliates, shall cause such Affiliates and its and their officers, directors, employees and agents not to, disclose or disseminate Licensed Know-How that is both Confidential information of City and relating solely to the Development, Manufacture or Commercialization of Licensed Molecules or Licensed Products to any Third Party unless expressly permitted hereunder, and shall not use such Confidential Information for any purpose other than in performing its obligations under this Agreement and shall take, and shall cause such Affiliates to take, reasonable steps to protect such Licensed Know-How relating solely to the Development, Manufacture or Commercialization of Licensed Molecules or Licensed Products from unauthorized use or disclosure, which steps shall be no less than those the Receiving Party takes to protect its own confidential or proprietary material of a similar nature. Each Party shall be responsible for any breach of its confidentiality obligations by its respective employees and agents. The foregoing obligations shall apply equally to all copies, extracts and summaries of the Disclosing Party's Confidential Information.

7.2 Certain Permitted Disclosures.

7.2.1 Disclosure Required by Law. Notwithstanding the foregoing, the Receiving Party may disclose Confidential Information of the Disclosing Party to the extent such disclosure is required by applicable Law, *provided* that, to the extent it may legally do so, the Receiving Party shall: (a) give reasonable advance notice to the Disclosing Party of such disclosure to permit the Disclosing Party to use its reasonable efforts to secure confidential treatment of such Confidential Information prior to disclosure to the extent such treatment is applicable (whether through protective orders or otherwise), (b) cooperates with the Disclosing Party in the exercise of its right to protect the confidentiality of the Confidential Information, and (c) discloses only that Confidential Information that is required to be disclosed.

7.2.2 Disclosure for Agreement Purposes. The Receiving Party may disclose Confidential Information of the Disclosing Party to a Third Party to the extent such disclosure is reasonably necessary to exercise the rights granted to or retained by it under this Agreement, including in preparing, filing, maintaining or prosecuting Patents, prosecuting or defending litigation or submitting information to Governmental Authorities for the purpose of seeking Regulatory Approvals with respect to a Licensed Product, as applicable.

7.2.3 Disclosure to Certain Third Parties. The Receiving Party may disclose such of the Disclosing Party's Confidential Information to (a) its Affiliates, employees, directors and consultants who have a need to know such Confidential Information, in each case, who are bound by obligations of confidentiality and non-use at least as stringent as those by which the Receiving Party is bound hereunder. Additionally, each Party may disclose the terms of this Agreement to its existing or potential investors, collaborators, licensees or acquirers, in each case, who are bound by obligations of confidentiality and non-use at least as stringent as those by which the Receiving Party is bound hereunder.

7.3 Return of Confidential Information. Upon termination of this Agreement, the Receiving Party shall promptly return or destroy all of the Disclosing Party's Confidential Information, including all information relating to Licensed Products received hereunder and copies thereof in any medium, unless, and solely for so long as, the Receiving Party has continuing rights to use the foregoing pursuant to Article 9. Notwithstanding the foregoing, the Receiving Party may retain one copy for its legal files. Nothing herein shall require the erasure or destruction of back-up media made in the ordinary course of business, *provided* that it is not accessible in the ordinary course of business.

7.4 Unauthorized Use. If the Receiving Party becomes aware of any unauthorized use or disclosure of the Disclosing Party's Confidential Information, it shall promptly notify the Disclosing Party of such unauthorized use or disclosure.

7.5 Public Disclosure. Neither Party shall mention or otherwise use the name, logo or trademark of the other Party or any of its Affiliates or any abbreviation or adaptation thereof in any advertising, marketing, promotional or sales literature or other form of publicity, except as follows:

7.5.1 Either Party or its Affiliates may make such a disclosure to the extent required by the rules of any nationally recognized securities exchange, quotation system or over-the-counter market on which such Party has its securities listed or traded.

7.5.2 Upon either Party's request, the Parties shall cooperate in good faith to mutually agree on a press release with respect to this Agreement. Except for any subsequent announcements that contain no additional information that is not included in such press release (or as otherwise authorized under this Agreement), neither Party shall issue any other public announcement, press release or other public disclosure regarding this Agreement or its subject matter without the other Party's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed.

7.6 Public Securities Disclosure. A Party may disclose this Agreement and its terms in securities filings with the Securities Exchange Commission (or equivalent foreign agency) ("**Security Regulators**") to the extent required by applicable Laws. In such event, the Party seeking such disclosure will prepare a draft confidential treatment request and proposed redacted version of this Agreement to request confidential treatment for this Agreement, and the other Party agrees to promptly (and in any event, no more than [***] after receipt of such confidential treatment request and proposed redactions) give its input in a reasonable manner in order to allow the Party seeking disclosure to file its request within the time lines prescribed by the regulations of the applicable Security Regulators. The Party seeking such disclosure shall reasonably consider the other Party's proposed redactions but shall have no obligation to include such proposed redactions to the extent such Party reasonably believes such proposed redactions would not comply with applicable Law.

ARTICLE 8
INTELLECTUAL PROPERTY

8.1 Inventions.

8.1.1 Solely Invented Inventions. Subject to the licenses and other rights granted herein, as between the Parties, each Party shall own and retain all right, title and interest in and to any and all Inventions invented solely by or on behalf of such Party (or its Affiliates).

8.1.2 Jointly Invented Inventions. Subject to the licenses and other rights granted herein, as between the Parties, the Parties shall each own an equal, undivided interest in any and all right, title, and interest in and to any Inventions invented jointly by or on behalf of City or its Affiliates, on the one hand, and B+L or its Affiliates, on the other hand, in performance of the Research Plan (the "**Joint Inventions**"). Subject to the license granted under Section 3.2, the applicable exclusivity obligations under Section 3.6, and the other provisions of this Agreement, and without granting any rights in any intellectual property other than Joint Inventions (e.g., without granting any rights to any pre-existing inventions on which such Joint Inventions rely or any Patents claiming such pre-existing inventions), each Party shall have the right to Exploit (and license others to Exploit) any of the Joint Inventions without the consent of (or right to account to) the other Party other than as set forth in this Agreement.

8.1.3 Inventorship. The determination of whether an Invention is solely or jointly invented by a Party for the purpose of allocating proprietary rights (including Patent, copyright or other intellectual property rights) therein, shall, for purposes of this Agreement, be made in accordance with the principles of patent law in the USA (in the case of non-patentable Know-How, inventorship will also be determined under such principles by treating such Know-How as if it were patentable).

8.2 Prosecution and Maintenance of Patents.

8.2.1 Solely-Owned Patents. Subject to Section 8.2.3, each Party shall have the sole right (but not the obligation), in its sole discretion and at its sole cost, to prepare, file, prosecute (including any interferences, oppositions, reissue proceedings, reexaminations and similar proceedings) and maintain (collectively, "**Prosecution**" or to "**Prosecute**") all Patents owned solely by such Party, including Patents claiming Inventions solely owned by such Party.

8.2.2 Joint Patents. Subject to Section 8.2.4, City shall have the sole right (but not the obligation), in its sole discretion, to Prosecute all Patents claiming Joint Inventions ("**Joint Patents**").

8.2.3 City Molecule-Specific Patents.

(a) Section 8.2.1 and Section 8.2.2 notwithstanding, City will promptly provide B+L with copies of all correspondence to or from the USPTO, EPO and equivalent patent offices in foreign jurisdictions relating to City Molecule-Specific Patents. City will reasonably cooperate with B+L in Prosecuting the City Molecule-Specific Patents, and in such case, in the event of any disagreement between City and B+L regarding the Prosecution of City Molecule-Specific Patents under this Section: (a) after Development Candidate Selection, B+L will have final decision-making authority and City will (and will cause its outside counsel to) Prosecute City Molecule-Specific Patents as instructed by B+L, including in countries requested by B+L to the extent permitted by applicable Law; and (b) prior to the Development Candidate Selection, City will have final decision-making authority.

(b) If City intends to abandon any filed U.S. Patent and all foreign equivalents of such Patent that would constitute City Owned Patents that Covers a Program Molecule and City has not appointed any other Third Party to continue Prosecuting such Patents, City will give B+L notice thereof within [***] prior to allowing such Patents to become abandoned, and B+L will thereafter have the right, but not the obligation, to Prosecute such City Owned Patents. If B+L assumes responsibility for any City Owned Patents pursuant to this Section 8.2.3(b) ("**Assumed Patents**"), City will transfer control of such Prosecution of such Assumed Patents to B+L (or B+L's outside counsel) and reasonably cooperate with B+L (and its outside counsel) in Prosecuting such Patents and, in such case, in the event of any disagreement between City and B+L regarding the Prosecution of such Assumed Patents, B+L will have final decision-making authority and, if the Prosecution of such Patents remains with City, City will (and will cause its outside counsel to) Prosecute such Patents as instructed by B+L, including in countries requested by B+L to the extent permitted by applicable Law, and B+L will reimburse City for all reasonable and documented out-of-pocket costs incurred by City in connection with the Prosecution of the Assumed Patents.

(c) As between the Parties, City will be solely responsible for all costs and expenses City incurs in connection with the Prosecution of the City Owned Patents (other than Assumed Patents). Notwithstanding the foregoing, if B+L makes the Development Candidate Selection, B+L will reimburse City for all reasonable and documented out-of-pocket costs incurred by City in connection with the Prosecution of the City Molecule-Specific Patents (including, without limitation, those costs incurred prior to such Development Candidate Selection).

(d) After Development Candidate Selection, B+L will have the right, but not the obligation, to Prosecute the City Molecule-Specific Patents at its own cost. If B+L chooses to abandon any filed City Molecule-Specific Patent (whether in any country or all countries) then, B+L will provide City with reasonable notice prior to allowing such City Molecule-Specific Patent(s) to be abandoned and City will thereafter have the right to continue to Prosecute such City Molecule-Specific Patent in such countries at its own cost and shall control all Prosecution decisions with respect thereto.

8.2.4 Joint Molecule-Specific Patents.

(a) Section 8.2.1 and Section 8.2.2 notwithstanding, City will Prosecute any Joint Patents, in the names of both City and B+L. City will keep B+L reasonably informed with respect to such Prosecution activities and will provide B+L an opportunity to review and comment on material documents related to such Prosecution which comments City will consider in good faith. City will take such reasonable acts in connection therewith as City deems appropriate, *provided* City considers in good faith any comments of B+L and is acting in good faith to obtain and maintain Joint Patents effective for market exclusivity of Licensed Products. If City decides not to be responsible for Prosecuting any particular Joint Patent in any particular country, City will notify B+L in writing and B+L will have the right, but not the obligation, to be responsible for such activities in such country. In this case, B+L may Prosecute such Joint Patents in such country in the names of both City and B+L. B+L will keep City reasonably informed with respect to such Prosecution activities and will provide City an opportunity to review and comment on material documents related to such Prosecution which comments B+L will consider in good faith. B+L will take such reasonable acts in connection therewith as B+L deems appropriate, *provided* B+L considers in good faith any comments of City and is acting in good faith to obtain and maintain Joint Patents effective for market exclusivity of Licensed Products. Each Party will, at its own cost, sign all legal documents necessary to Prosecute Joint Patents. Each Party will fully cooperate with the other Party in providing the other Party with necessary information in its possession for such Prosecution.

(b) Section 8.2.2 notwithstanding, with respect to Joint Molecule-Specific Patents, City will promptly provide B+L with copies of all correspondence to or from the USPTO, EPO and equivalent patent offices in foreign jurisdictions, relating to such Joint Molecule-Specific Patents. City will reasonably cooperate with B+L in Prosecuting the Joint Molecule-Specific Patents, and in such case, in the event of any disagreement between City and B+L regarding the Prosecution of Joint Molecule-Specific Patents under this Section: (a) after Development Candidate Selection, B+L will have final decision-making authority and, if the Prosecution of such Patents remains with City, City will (and will cause its outside counsel to) Prosecute Joint Molecule-Specific Patents as instructed by B+L, including in countries requested by B+L to the extent permitted by applicable Law; and (b) prior to the Development Candidate Selection, City will have final decision-making authority. After Development Candidate Selection, B+L will have the right, but not the obligation, to Prosecute the Joint Molecule-Specific Patents. If B+L assumes responsibility for any Joint Molecule-Specific Patents pursuant to this Section, City will transfer control of such Prosecution to B+L (or B+L's outside counsel) upon B+L's request.

(c) The Parties will share [***] the reasonable and documented out-of-pocket costs incurred for Prosecution of Joint Patents (the "**Joint Patent Costs**"). The Party who is responsible for the Prosecution of the Joint Patent will, through its patent counsel, if applicable, invoice the other Party for its share of such Joint Patent Costs within [***] after the end of the month during which such Joint Patent Costs were incurred and the other Party will pay its share of such Joint Patent Costs to the applicable Party or its patent counsel within [***] after receipt of such invoice. Notwithstanding this Section 8.2.4(c), if a Party does not wish to bear Joint Patent Costs with respect to a Joint Patent in a country, such Party may, by providing [***] prior written notice to the other Party, terminate its obligation to pay such Joint Patent Costs. In this case, such Party will promptly assign all of its right, title and interest in and to such Joint Patent in such country to the other Party upon such other Party's written request at such other Party's cost; *provided*, *however*, that such Joint Patent will cease being a Joint Patent and will be deemed a Patent solely owned by City if B+L is the assigning Party or a Patent solely owned by B+L if City is the assigning Party.

(d) Notwithstanding Section 8.2.4(c), if B+L makes the Development Candidate Selection, B+L will reimburse City for all reasonable and documented out-of-pocket costs incurred by City in connection with the Prosecution of the Joint Molecule-Specific Patents (including, without limitation, those costs incurred prior to such Development Candidate Selection).

(e) If B+L chooses to abandon any filed Joint Molecule-Specific Patent (whether in any country or all countries) then, B+L will provide City with reasonable notice prior to allowing such Joint Molecule-Specific Patent(s) to be abandoned and City will thereafter have the right to continue to Prosecute such Joint Molecule-Specific Patent in such countries at its own cost and shall control all Prosecution decisions with respect thereto.

8.2.5 Each Party agrees to reasonably cooperate with the other with respect to the Prosecution of Patents pursuant to this Section 8.2. At the request of the other Party, the Party responsible for Prosecuting a Patent will make reasonable efforts to separately Prosecute subject matter solely related to City Molecule-Specific Patents and Joint Molecule-Specific Patents separate from other subject matter which may be disclosed or claimed in any Patent hereunder, to the extent it may reasonably do so without jeopardizing or impairing any such Patents. Each Party's rights to Prosecute a Patent pursuant to this Section 8.2 will be subject to the applicable provisions of any agreements between the Party controlling such Patents and its licensor.

8.3 Patent Enforcement.

8.3.1 Enforcement of Molecule-Specific Patents after the Development Candidate Selection.

(a) After the Development Candidate Selection, B+L will have the first right to institute infringement suits or take other action under the City Molecule-Specific Patents and Joint Molecule-Specific Patents (collectively, the "**Molecule-Specific Patents**") (an "**Infringement Action**").

(b) If B+L institutes or undertakes an Infringement Action in accordance with Section 8.3.1(a), City will cooperate with B+L in its efforts to protect such Molecule-Specific Patents and will agree to be a party in any suit, if required for B+L to obtain legal standing, in each case, at B+L's sole expense. B+L will notify and keep City apprised in writing of such Infringement Action and will consider and take into account City's reasonable interests and requests regarding such Infringement Action.

(c) If B+L does not institute or undertake an Infringement Action in accordance with Section 8.3.1(a) for a period of [***] after being requested by City to do so, or (if sooner) at least [***] prior to the last date such Infringement Action may be brought, City may institute or undertake and thereafter control such Infringement Action. In such event, City will have the right, but not the obligation, to institute or undertake such suit or other appropriate Infringement Action in the name of City or of B+L or in the names of both of them, at City's cost. B+L will cooperate fully with City in its efforts to protect such Patents and will agree to be a party in any suit, if required, in each case with respect to such Infringement Action, in each case at City's sole expense. City will notify and keep B+L apprised in writing of such Infringement Action and will consider and take into account B+L's reasonable interests and requests regarding such Infringement Action.

8.3.2 Enforcement of Joint Patents; Enforcement of Molecule-Specific Patents Absent the Development Candidate Selection. City will have the first right to institute infringement suits or take other actions under the Joint Patents that are not Molecule-Specific Patents. Additionally, City will have the first right to institute infringement suits or take other action under the Molecule-Specific Patents prior to, and otherwise in the absence of, the Development Candidate Selection, at City's cost. City will have the right to institute such suits or other appropriate actions in the name of City or of B+L, or in the names of both of them. B+L will cooperate fully with City in its efforts to protect such Patents and will agree to be a party in any suit, if required, at City's sole expense. City will notify and keep B+L apprised in writing of such action and will consider and take into account B+L's reasonable interests and requests regarding such action. If City does not institute or undertake an Infringement Action in accordance with the foregoing for a period of [***] after being requested by B+L to do so, or (if sooner) at least [***] prior to the last date such Infringement Action may be brought, B+L may institute or undertake and thereafter control such Infringement Action. In such event, B+L will have the right, but not the obligation, to institute or undertake such suit or other appropriate Infringement Action in the name of B+L or of City or in the names of both of them, at B+L's cost. City will cooperate fully with B+L in its efforts to protect such Patents and will agree to be a party in any suit, if required, in each case with respect to such Infringement Action, in each case at City's sole expense. B+L will notify and keep City apprised in writing of such Infringement Action and will consider and take into account City's reasonable interests and requests regarding such Infringement Action.

8.3.3 Cooperation. In any Infringement Action brought under this Section 8.3 in any jurisdiction, each Party will reasonably cooperate with each other, in good faith, relative to the other Party's efforts to protect the applicable Patents and will agree to be a party to such Infringement Action, if necessary. Notwithstanding anything to the contrary in this Section 8.3, neither Party will settle or compromise any related defense nor infringement suit brought under the Molecule-Specific Patents pursuant to this Section 8.3, without the prior written consent of the other Party, which consent will not be unreasonably withheld, conditioned or delayed. Furthermore, each Party will provide the other Party with reasonable prior notice and opportunity to review and comment, and will consider in good faith all reasonable comments from the other Party on, any proposed arguments asserted or to be asserted in any enforcement action under this Section 8.3.

8.3.4 Recoveries. With respect to any Infringement Action initiated pursuant to this Section 8.3, any recovery obtained as a result of any such proceeding, by settlement or otherwise, will be applied in the following order of priority:

(a) first, the Parties will be [***]

(b) any remainder will be: [***].

8.4 Patent Term Extensions. The Parties shall cooperate with each other in determining with respect to the Licensed Product if any Licensed Patent would be eligible for patent term extension pursuant to 35 U.S.C. §154-156 and as appropriate, applicable foreign patent Laws (the "**Patent Term Extension**"), and then in obtaining the Patent Term Extension with respect to the Patents; *provided*, *however*, that the Party entitled to Prosecute such Patent shall make the final decision with respect to obtaining such Patent Term Extension.

8.5 Patent Invalidity Claims.

8.5.1 Right to Respond. If during the Term a Third Party initiates a patent opposition, reexamination, or other proceeding in any patent office, asserting that Joint Patents or Molecule-Specific Patents are invalid or otherwise unenforceable (an "**Invalidity Claim**"), the Parties will treat such Invalidity Claim in accordance with Section 8.2.3 or Section 8.2.4, as applicable. For the avoidance of doubt, any response to a Third Party declaratory judgment action with respect to such Joint Patent or Molecule-Specific Patent claims or a counterclaim of invalidity or unenforceability of such claims made in the context of infringement suits or other action will be governed by Section 8.3.

8.5.2 Invalidity Claims. The non-controlling Party will cooperate with the controlling Party in the preparation and formulation of a response to an Invalidity Claim, and in taking other steps reasonably necessary to respond, to such Invalidity Claim. The controlling Party will have the sole and exclusive right to select counsel for the response to such Invalidity Claim. The non-controlling Party will also have the right to participate and be represented relative to such proceeding by its own counsel at its own expense. The controlling Party will not settle or compromise any Invalidity Claim in a manner that admits the invalidity or unenforceability of any Molecule-Specific Patents, or that requires a payment to the Third Party in respect of such Invalidity Claim, without the consent of the other Party, which consent will not be unreasonably withheld, conditioned or delayed. For clarity, "control" under this Article 8 will mean final decision-making authority regarding controlling preparation, filing, prosecution and maintenance of Molecule-Specific Patents or Joint Patents, as applicable.

ARTICLE 9
TERM AND TERMINATION

9.1 Term. Unless terminated earlier pursuant to this Article 9, the term of this Agreement will remain in force for the period commencing on the Effective Date and ending upon the earlier of (a) the occurrence of any Development Candidate Selection Termination Condition, or (b) the expiration of the last-to-expire of all Royalty Terms for all Licensed Products (the "**Term**").

9.2 Termination at Will by B+L; NHP Study Termination. B+L shall have the right to terminate this Agreement in its entirety or on a country-by-country basis for any reason or no reason at any time on [***] prior written notice to City. This Agreement shall also terminate [***] after: (a) the Parties jointly agree that neither an NHP Study nor a different non-human primate study designed by, overseen and paid for by B+L, will be conducted; or (b) a NHP Study Plan Deadlock occurs and B+L does not, within [***] after such NHP Study Plan Deadlock is escalated to the Senior Officers, provide City with written notice of the final NHP Study Plan determined by B+L as a result of such NHP Study Plan Deadlock.

9.3 Termination of Research Plan.

9.3.1 B+L shall have the right to terminate the Research Plan prior to the completion thereof upon [***] notice to City ("**Research Plan Termination Notice**" and, such [***] period, the "**Wind Down Period**").

9.3.2 If B+L provides Research Plan Termination Notice, City shall wind-down its activities under the Research Plan during the Wind Down Period and provide a data package of all available data, including results of preclinical studies, relating to City's performance of the Research Plan through the end of the Wind Down Period to B+L during the Wind Down Period. B+L shall remain obligated to pay City all Research Costs incurred prior to termination or that are non-cancellable out-of-pocket expenses (excluding Ordinary Research Costs in excess of the Budget Amount), even if actually incurred after termination or expiration. Regardless of the actual monthly Personnel Research Costs during the Wind Down Period, for the purposes of B+L's payment obligations, the monthly Personnel Research Cost during the Wind Down Period shall not be deemed to be less than the average monthly Personnel Research Cost for the portion of the Research Period elapsed prior to Research Plan Termination Notice.

9.4 Material Breach. In the event of a material breach of this Agreement, the non- breaching Party shall have the right to terminate this Agreement by notice to the breaching Party specifying the nature of such breach in reasonable detail. Such termination shall become effective [***] (or, in the case of non-payment during the Research Period, [***] from receipt of such notice by the breaching Party, unless the breaching Party has cured such breach within such [***] period (or, in the case of non-payment during the Research Period, [***]. Notwithstanding anything to the contrary in the foregoing, after (and only after) Development Candidate Selection Payment, if the breaching Party can reasonably establish that the material breach is limited to, and only has an impact on, one country in the Territory, then the non-breaching Party shall only be entitled to terminate this Agreement with respect to such country and the termination of the Agreement with respect to such country shall not impact the breaching Party's rights in the other countries in the Territory.

9.5 Patent Challenge. If B+L or any of its Affiliates or Sublicensees, challenges, under any court action or proceeding, or before any patent office, the validity, patentability or enforceability of any Patent licensed to B+L under this Agreement, or initiates a reexamination of any such Patent, or materially assists any Third Party to conduct any of the foregoing activities (each, a "**Patent Challenge**") and such Patent Challenge is not a defense against a claim, action or proceeding asserted by City, its Affiliates or its licensees against B+L or its Affiliates or Sublicensees, then City may terminate this Agreement in its entirety on [***] notice to B+L (the date of delivery of such notice, the "**Patent Challenge Notice Date**"). Notwithstanding the foregoing, (i) if a Sublicensee makes a Patent Challenge and B+L terminates such Sublicensee's sublicense or causes such Sublicensee to withdraw such Patent Challenge within [***] after the Patent Challenge Notice Date, then City cannot terminate this Agreement pursuant to this Section 9.5 with respect to such Sublicensee's Patent Challenge and (ii) if B+L or any of its Affiliates makes a Patent Challenge and B+L withdraws or causes such Affiliates to withdraw such Patent Challenge within [***] after the Patent Challenge Notice Date, then City cannot terminate this Agreement pursuant to this Section 9.5 with respect to such Patent Challenge by B+L or such Affiliates.

9.6 Insolvency.

9.6.1 To the extent permitted by applicable Law, either Party may terminate this Agreement in its entirety effective immediately upon notice to the other Party if, at any time, such other Party (a) files in any court or agency pursuant to any statute or regulation of any state or country a petition in bankruptcy or insolvency or for reorganization (except for solvent reorganization or solvent reconstruction) or for an arrangement or for the appointment of a receiver or trustee of the Party or of substantially all of its assets, (b) proposes a written agreement of composition or extension of substantially all of its debts, (c) is served with an involuntary petition against it, filed in any insolvency proceeding, and such petition is not be dismissed within [***] after the filing thereof, (d) proposes to be a party to any dissolution or liquidation, (e) admits in writing its inability generally to meet its obligations as they fall due in the general course, or (f) makes an assignment of substantially all of its assets for the benefit of creditors.

9.6.2 All rights and licenses granted under or pursuant to any section of this Agreement are for purposes of Section 365(n) of Title 11, United States Code or any analogous provisions in any other country or jurisdiction (the "**Bankruptcy Code**") licenses of rights to "intellectual property" as defined in Section 101(56) of the Bankruptcy Code (and any equivalent provisions under the bankruptcy or insolvency Laws of any other relevant jurisdiction). The Parties shall retain and may fully exercise all of their respective rights and elections under the Bankruptcy Code. The non-bankrupt Party shall further be entitled to a complete duplicate of, or complete access to, any such intellectual property and all embodiments of such intellectual property, which, if not already in its possession, shall be promptly delivered to the non-bankrupt Party (a) upon the commencement of a bankruptcy proceeding upon the non-bankrupt Party's written request therefor, unless the Party subject to such proceeding elects to continue to perform all of its obligations under this Agreement or (b) if not delivered under clause (a) above, following the rejection of this Agreement by or on behalf of the Party subject to such proceeding upon written request therefor by the non-bankrupt Party. The Parties acknowledge and agree that payments made under Section 6.2 shall not (x) constitute royalties within the meaning of Section 365(n) of the Bankruptcy Code or any analogous provisions in any other country or jurisdiction, or (y) relate to licenses of intellectual property hereunder.

9.7 Effect of Expiration or Termination of this Agreement.

9.7.1 Accrued Obligations. Upon expiration or termination of this Agreement for any reason neither Party shall be released from any liability (including, without limitation, any payment obligation) that, at the time of such expiration or the Termination Date, has already accrued to the other Party or that is attributable to a period prior to such expiration or the Termination Date.

9.7.2 B+L For Cause Termination. If B+L terminates this Agreement in accordance with Section 9.4 after the Development Candidate Selection:

(a) the license and rights granted to B+L under Section 3.2 shall survive;

(b) [***] shall survive;

(c) [***] shall survive; and

(d) subject to the foregoing, except as otherwise expressly provided herein, all other rights and obligations of each Party hereunder will cease, including Sections [***].

For clarity, City may still terminate this Agreement pursuant to Section 9.5 after B+L terminates this Agreement in a manner giving effect to this Section 9.7.2, in which case, Section 9.8 shall apply notwithstanding anything to the contrary in Section 9.7.2.

9.7.3 In-Process Clinical Trials. Notwithstanding any other provision in this Section 9.7, if there is any Clinical Trial of Licensed Products being conducted at the Termination Date, the Party conducting such Clinical Trial shall be entitled to continue Exploiting the Licensed Products, as applicable, to the extent and for the period necessary to effect an orderly transfer or wind down of such Clinical Trial, in a timely manner and in accordance with applicable Laws.

9.8 Survival.

9.8.1 Upon the expiration or termination of this Agreement for any reason, subject to Section 9.7 and Section 9.8.4: (a) all rights and obligations of the Parties under this Agreement (including, without limitation, the license and rights granted to B+L under Section 3.2 and all sublicenses thereunder) shall terminate, *provided* that the rights and obligations of the Parties set forth in [***] shall survive any expiration or termination of this Agreement; and (b) none of B+L, its Sublicensees, or its Affiliates shall Develop or Commercialize any product containing a Program Molecule in the countries to which such expiration or termination applies.

9.8.2 Upon the expiration of this Agreement (other than pursuant to Section 9.1(b)) or termination of this Agreement for any reason (including, without limitation, under Section 9.2 with respect to a particular country, but excluding any termination by B+L pursuant to Section 9.4), subject to Section 9.7, B+L shall, to the extent permitted by applicable Law, (a) provide to City a summary report of the status of the Development and Commercialization of the Licensed Products in the terminated countries through the effective date of termination; (b) transfer to City all applicable (A) Regulatory Approvals in such terminated countries that B+L owns with respect to any Licensed Product and (B) Regulatory Documentation in such terminated countries that B+L owns with respect to any Licensed Product, in each case of (A) and (B) to the extent necessary for Developing, Manufacturing, or Commercializing the Licensed Products in the terminated countries, provided, that B+L may retain a copy of such items for its records; (c) transfer to City copies of all pre-clinical and clinical study records and analysis owned or otherwise Controlled by B+L and directly relating to the Development or Commercialization of any Licensed Product in such country; (d) if City requests within [***] of the effective date of such termination, sell to City all B+L's inventory of Licensed Products specific to the terminated countries [***]; and (e) reasonably cooperate with City to facilitate the orderly transition of the Manufacture and Commercialization of Licensed Products in the terminated countries to City; in each case of (a) through (e), at City's cost (but subject to the immediately following sentence). The first [***] FTE hours of such transfer services performed by B+L personnel for all such countries in the aggregate shall be at no-charge and, to the extent City reasonably requests additional work beyond such [***], City shall reimburse B+L at the FTE Rate. City shall be responsible for paying or reimbursing B+L for, as applicable, all Third Party costs associated with the transfers and related services contemplated pursuant to this Section 9.8.

9.8.3 [***].

9.8.4 Notwithstanding anything herein, upon the expiration of the Term following the expiration of the last-to-expire of all Royalty Terms for all Licensed Products pursuant to Section 9.1(b), all rights and licenses granted by City to B+L pursuant to Section 3.2 of this Agreement shall survive and shall become fully paid-up, perpetual, and irrevocable.

9.9 Termination Not Sole Remedy. Termination is not the sole remedy under this Agreement and, whether or not termination is effected, all other remedies at equity or law shall remain available to the Parties except as agreed to otherwise herein.

ARTICLE 10
REPRESENTATIONS AND WARRANTIES AND COVENANTS

10.1 Mutual Representations and Warranties. Each of City and B+L represents and warrants to the other Party, as of the Effective Date, that:

10.1.1 such Party is an entity duly organized, validly existing and in good standing under the Laws of the state or country (as applicable) of its organization, is qualified to do business and is in good standing as a foreign entity in each jurisdiction in which the conduct of its business or the ownership of its properties requires such qualification and failure to have such qualification would prevent it from performing its obligations under this Agreement, and has full corporate power and authority to enter into this Agreement and to carry out the provisions hereof;

10.1.2 such Party is duly authorized, by all requisite action, to execute and deliver this Agreement and the execution, delivery and performance of this Agreement by such Party does not require any shareholder action or approval, and the Person executing this Agreement on behalf of such Party is duly authorized to do so by all requisite action;

10.1.3 except for Regulatory Filings (if any are required), no consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any Governmental Authority or a Third Party is required on the part of such Party in connection with the valid execution, delivery and performance of this Agreement;

10.1.4 this Agreement is a legal and valid obligation binding upon such Party and enforceable in accordance with its terms except as enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting the enforcement of creditors' rights; and (b) equitable principles of general applicability; and

10.1.5 such Party has all requisite authorization and consent necessary to provide the Materials provided by such Party and for such Materials to be used as contemplated in the Research Plan, in each case, without violation of any applicable Laws or Third Party rights;

10.1.6 the execution, delivery and performance by it of this Agreement and its compliance with the terms and provisions of this Agreement does not conflict with or result in a breach of any of the terms or provisions of (a) any other contractual or other obligations of such Party, (b) the provisions of its operating documents or bylaws, or (c) any order, writ, injunction or decree of any Governmental Authority entered against it or by which it or any of its property is bound;

10.1.7 neither such Party, nor any of its employees, officers, directors, consultants and advisors (a) are currently excluded, debarred, or otherwise ineligible to participate in any government health care programs; (b) has been convicted of a criminal offense related to the provision of healthcare items or services but yet to be excluded, debarred, or otherwise declared ineligible to participate in such health care programs; and (c) is, to such Party's knowledge, under investigation by any Governmental Authority or otherwise aware of any circumstances which would reasonably be expected to result in it, or any of its Affiliates or their respective employees, officers, directors, consultants and advisors, being excluded from participation in the such health care programs; and

10.1.8 the employees of such Party or its Affiliates that are providing services under this Agreement are under a written obligation to assign all right, title and interest in and to their inventions and discoveries, whether or not patentable, to such Party as the sole owner thereof.

10.2 City's Additional Representations and Warranties. City additionally represents and warrants to B+L, as of the Effective Date, that:

10.2.1 Schedule 10.2.1 completely and accurately sets out all Licensed Patents in existence as of the Effective Date;

10.2.2 there are no Patents owned by any Third Party that, to City's actual knowledge, would be infringed by City's practice of the Licensed Technology in performance of the Research Plan;

10.2.3 it has not received notice of any claims, and there are no judgments or settlements against or owed by City or, to the actual knowledge of City, any pending or threatened claims or litigation, in each case relating to the Licensed Technology;

10.2.4 it is the owner of, or has a license to, the Licensed Patents;

10.2.5 it has no actual knowledge that any of the Licensed Patents are invalid or unenforceable;

10.2.6 it is not, itself or with or through any Affiliate or Third Party, researching, Developing, Manufacturing or Commercializing: (a) any products that inhibit the expression of Complement Factor 3, other than as specified under this Agreement; (b) any Competing Research Product in the Field; or (c) any product to treat retinal disease through intravitreal injection;

10.2.7 it has the resources and ability to perform its obligations hereunder with reasonable skill and care, with qualified personnel, in a professional and workmanlike manner, and following the best practices in the industry, and in compliance with all applicable Laws; and

10.2.8 it has not granted any right or license to any Third Party relating to any of the Licensed Technology that would conflict with the license granted under Section 3.2.

10.3 City Covenants. City shall not grant any right or license to any Third Party relating to any of the Licensed Technology that would conflict with the license granted under Section 3.2. City covenants and agrees that will perform its obligations hereunder with reasonable skill and care, with qualified personnel, in a professional and workmanlike manner, following the best practices in the industry, and in compliance with all applicable Laws.

10.4 Disclaimer. Except as otherwise expressly set forth in this Agreement, NEITHER PARTY MAKES ANY REPRESENTATION OR EXTENDS ANY WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY THAT ANY PATENTS ARE VALID OR ENFORCEABLE, AND EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Except as otherwise expressly set forth in this Agreement, all Materials are provided "AS IS" without any other representation or warranty of any kind. Without limiting the generality of the foregoing, except as otherwise expressly set forth in this Agreement, each Party disclaims any warranties with regards to: (a) the success of any study or test commenced under this Agreement, (b) the safety or usefulness for any purpose of the technology or materials it provides or discovers under this Agreement, and (c) the validity, enforceability, or non-infringement of any intellectual property rights or technology it provides or licenses to the other Party under this Agreement.

ARTICLE 11
INDEMNIFICATION

11.1 B+L. Subject to Section 11.3, B+L shall defend, indemnify and hold City and its Affiliates and its and their respective officers, directors, shareholders, employees, agents, representatives, successors and permitted assigns ("**City Indemnitees**"), at B+L's cost and expense, harmless from and against any and all Third Party claims, suits or demands ("**Third Party Claims**") arising out of or in connection with: [***]. Notwithstanding the preceding sentence, B+L shall have no obligation with respect to Third Party Claims to the extent they are (a) attributable to any of the circumstances set forth in Section 11.2, or (b) attributable to the negligence or willful misconduct of the City Indemnitees.

11.2 City. Subject to Section 11.3, City shall defend, indemnify and hold B+L and its Affiliates and its and their respective officers, directors, shareholders, employees, agents, representatives, successors and permitted assigns ("**B+L Indemnitees**"), at City's cost and expense, harmless from and against any and all Third Party Claims arising out of or in connection with [***]. Notwithstanding the preceding sentence, City shall have no obligation with respect to Third Party Claims to the extent they are (a) subject to indemnification by B+L pursuant to Section 11.1 above, or (b) attributable to the negligence or willful misconduct of the B+L Indemnitees.

11.3 Indemnification Procedures.

11.3.1 Indemnification Claims. A claim to which indemnification applies under Section 11.1 or Section 11.2 will be referred to as an "**Indemnification Claim.**"

11.3.2 Notice. If any Person or Persons (collectively, the "**Indemnitee**") intends to claim indemnification under this Article 11 the Indemnitee will notify the other Party (the "**Indemnitor**") in writing promptly upon becoming aware of any claim that may be an Indemnification Claim; *provided*, *however,* that failure of the Indemnitee to give such notice will not relieve the Indemnitor of its indemnification obligation under this Article 11, except and only to the extent that the Indemnitor is actually prejudiced as a result of such failure to give notice. Each claim notice will describe in reasonable detail the basis for such claim (the "**Claim Basis**") and specify the amount or the estimated amount of Third Party Claims actually incurred or paid by the Indemnitee as a result of the Claim Basis, to the extent ascertainable.

11.3.3 Defense of Indemnification Claims. By delivering notice to the Indemnitee within [***] after delivery of notice described in Section 11.3.2, the Indemnitor may assume and control, with the sole power to direct, the defense of the Indemnification Claim at its own expense with counsel selected by the Indemnitor and reasonably acceptable to the Indemnitee. If the Indemnitor does not assume control of the defense of the Indemnification Claim as described in this Section 11.3.3, the Indemnitee will control such defense at Indemnitor's expense (subject to Section 11.1 and Section 11.2). The Party not controlling such defense may participate therein at its own expense. The Party controlling the defense of an Indemnification Claim will keep the other Party advised of the status of such Indemnification Claim and the defense thereof and will reasonably consider recommendations made by the other Party with respect thereto. The other Party will cooperate fully with the Party controlling such defense and will make available all pertinent information under its control, which information will be subject to Article 7, and cause its employees to be available in a deposition, hearing or trial.

11.3.4 Resolution of Indemnification Claims. Neither the Indemnitor nor the Indemnitee will admit fault on behalf of the other Party without the written consent of such other Party. The Indemnitee will not settle or compromise an Indemnification Claim without the prior written consent of the Indemnitor. The Indemnitor will not settle or compromise an Indemnification Claim or consent to any judgment in respect thereof that does not include a complete and unconditional release of the Indemnitee from all liability with respect thereto or that imposes any liability or obligation on the Indemnitee for which the Indemnitee is not indemnified under this Agreement, without the prior written consent of the Indemnitee.

11.4 Insurance. Each Party shall have and maintain, at its sole cost and expense, an adequate liability insurance policy (including product liability insurance) obtained from a reputable insurer to protect against potential liabilities and risk arising out of activities to be performed under this Agreement and any agreement related hereto and upon such terms (including coverages and deductible limits) as are customary in the pharmaceutical industry generally for the activities to be conducted by such Party under this Agreement. [***]. B+L shall continue to maintain such liability insurance policy for as long as B+L or any of its Affiliates or Sublicensees continues to make, use or sell a Licensed Product under this Agreement and thereafter for a period of [***], if the coverage is under a claims-made policy. This Section 11.4 shall not create any limitation on the Parties' liability under this Agreement. Such insurance information shall be kept in confidence in the same manner as any other Confidential Information disclosed by the Parties hereunder.

11.5 Limitation of Liability; Consequential Damages. EXCEPT FOR BREACHES OF CONFIDENTIALITY OBLIGATIONS UNDER ARTICLE 7, OR EACH PARTY'S INDEMNIFICATION OBLIGATIONS UNDER SECTION 11.1 OR SECTION 11.2, IN NO EVENT SHALL EITHER PARTY OR THEIR AFFILIATES BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL, RELIANCE, PUNITIVE, OR CONSEQUENTIAL DAMAGES, OR LOST OR IMPUTED PROFITS OR ROYALTIES, LOST DATA OR COST OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, UNDER THIS AGREEMENT, WHETHER LIABILITY IS ASSERTED IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT PRODUCT LIABILITY), INDEMNITY OR CONTRIBUTION, AND IRRESPECTIVE OF WHETHER THAT PARTY OR ANY REPRESENTATIVE OF THAT PARTY HAS BEEN ADVISED OF, OR OTHERWISE MIGHT HAVE ANTICIPATED THE POSSIBILITY OF, ANY SUCH LOSS OR DAMAGE.

ARTICLE 12
MISCELLANEOUS

12.1 Assignment. Neither Party may assign this Agreement or any rights hereunder without the prior written consent of the other Party, except that a Party may make such an assignment without the other Party's consent, in whole or in part, to an Affiliate or to a successor to all or substantially all of the business to which this Agreement relates. Further, each Party shall have the right to cause the performance by an Affiliate of some or all of its obligations hereunder, without the prior written consent of the other Party; *provided, however*, such Party will be responsible and liable for any and all acts or omissions of any such Affiliate which, if such action or omission was by such Party, would constitute a breach of the terms and conditions hereof. In all cases, the assigning Party shall provide the other Party with prompt notice of any such assignment and the permitted assignee shall assume the obligations of the assigning Party hereunder in writing. No assignment of this Agreement shall act as a novation or release of either Party from responsibility for the performance of any accrued obligations.

12.2 Governing Law. This Agreement and any dispute or claim arising out of or in connection with it (whether contractual or non-contractual in nature such as claims in tort, from breach of statute or regulation or otherwise) shall be governed by and construed in accordance with the Laws of the State of New York, excluding any conflicts or choice of Law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive Law of another jurisdiction. Notwithstanding the foregoing, any dispute with respect to infringement, validity, or enforceability of any Patent shall be governed by and construed and enforced in accordance with the Laws of the jurisdiction in which such Patent is issued or published.

12.3 Consent to Jurisdiction. Other than as expressly set out herein, each Party irrevocably submits to the exclusive jurisdiction of the United States District Court for the Southern District of New York for the purposes of any suit, action, or other proceeding arising out of this Agreement or the transactions contemplated thereby. Other than as expressly set out herein, each Party agrees to commence any such action, suit, or proceeding in the United States District Court for the Southern District of New York or if such suit, action, or other proceeding may not be brought in such court for jurisdictional reasons, in the Supreme Court of the State of New York, New York County. Each Party further agrees that service of any process, summons, notice, or document by U.S. registered mail or internationally recognized overnight courier service to such Party's respective address set forth in Section 12.12 shall be effective service of process for any action, suit, or proceeding in New York with respect to any matters to which it has submitted to jurisdiction in this Section 12.3. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit, or proceeding arising out of this Agreement in the United States District Court for the Southern District of New York (or, if applicable, the Supreme Court of the State of New York), and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit, or proceeding brought in any such court has been brought in an inconvenient forum. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, THE PARTIES HEREBY WAIVE, AND COVENANT THAT THEY WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT, OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING IN WHOLE OR IN PART UNDER OR IN CONNECTION WITH THIS AGREEMENT, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE. THE PARTIES AGREE THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY, AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE ITS RIGHT TO TRIAL BY JURY IN ANY PROCEEDING WHATSOEVER BETWEEN THEM RELATING TO THIS AGREEMENT WILL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

12.4 Force Majeure. Neither Party shall be liable to the other for any failure or delay in the fulfillment of its obligations under this Agreement (other than the payment of monies due and owing to a Party under this Agreement), when any such failure or delay is caused by fire, flood, earthquakes, explosions, sabotage, terrorism, civil commotions, riots, invasions, wars, peril of the sea or requirements of Governmental Authorities (each, a "**Force Majeure Event**"). In the event that either Party is prevented from discharging its obligations under this Agreement on account of a Force Majeure Event, the performing Party shall promptly notify the other Party, and such other Party shall use good faith efforts to discharge its obligations, even if in a partial or compromised manner.

12.5 No Debarred Personnel. Each Party agrees that it and its Affiliates and Sublicensees, as applicable, shall not use, during the Term, the services of any employee, consultant, contractor or clinical investigator that has been debarred by the FDA or any other Governmental Authority or that is the subject of debarment proceedings by the FDA or any other Governmental Authority. If a Party becomes aware that it or its Affiliates or Sublicensees, as applicable, has breached the foregoing obligation, it shall immediately (i) notify the other Party in writing and provide full details of the circumstances and extent of such breach and (ii) promptly replace the relevant employee, consultant, contractor or clinical investigator with a suitably qualified replacement that has not been debarred by the FDA or any other Governmental Authority or that is not the subject of debarment proceedings by the FDA or any other Governmental Authority.

12.6 Expenses. Except as otherwise expressly provided herein or mutually agreed, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be borne by the Party incurring such costs and expenses.

12.7 No Agency. Nothing herein contained shall be deemed to create an agency, joint venture, amalgamation, partnership or similar relationship between City and B+L. Notwithstanding any of the provisions of this Agreement, neither Party shall at any time enter into, incur, or hold itself out to Third Parties as having authority to enter into or incur, on behalf of the other Party, any commitment, expense, or liability whatsoever, and all contracts, expenses and liabilities undertaken or incurred by one Party in connection with or relating to the Development, Manufacture or Commercialization of Licensed Product shall be undertaken, incurred or paid exclusively by that Party, and not as an agent or representative of the other Party.

12.8 No Third Party Beneficiaries. The warranties and agreements contained in this Agreement are for the sole benefit of the Parties, and in B+L's case, B+L's Affiliates, and their respective successors and permitted assigns, and they shall not be construed as conferring any rights to any other Persons other than, with respect to the Parties' obligations in Sections 11.1 and 11.2, the other Persons expressly referenced as Indemnitees thereunder.

12.9 Entire Agreement; Amendment. This Agreement (including all schedules and exhibits hereto) constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements or understandings, oral or written, with respect to such matters. The Parties acknowledge that this Agreement has not been entered into wholly or partly in reliance on, nor has either party been given, any warranty, statement, promise or representation by the other or on its behalf other than as expressly set out in this Agreement. This Agreement may be amended or modified only by a writing signed by both Parties.

12.10 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law and if the rights or obligations of either Party under this Agreement will not be materially and adversely affected thereby, (a) such provision shall be fully severable, (b) this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (c) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom, and (d) in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and reasonably acceptable to the Parties. To the fullest extent permitted by applicable Law, each Party hereby waives any provision of law that would render any provision hereof illegal, invalid or unenforceable in any respect.

12.11 Extension; Waiver. At any time, either City or B+L may (a) with respect to obligations owed to it or the performance of other acts for its benefit, extend the time for the performance of such obligations or such other acts to be performed hereunder by the other, (b) waive any inaccuracies in the representations and warranties of the other contained herein or in any document delivered pursuant hereto and (c) waive compliance with any of the conditions to the obligations of the other contained herein. Any agreement on the part of either Party to any such extension or waiver shall be valid only if set forth in an instrument executed by such Party. No such waiver shall be operative as a waiver of any other subsequent requirement of this Agreement. The failure of any Party to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights.

12.12 Notices. All communications required to be made under this Agreement shall be effective upon receipt, and shall be sent to the addresses set out below, or to such other addresses as may be designated by one Party to the other by notice pursuant hereto, by (a) internationally recognized overnight courier; (b) prepaid registered or certified US mail, return receipt requested; or (c) facsimile transmission or other electronic means of communication (including email) with confirmation by letter sent by the close of business on or before the next following Business Day at the address set forth below, or such other address as may be designated in writing hereafter, in the same manner, by such Party as follows:

If to City, as follows:

City Therapeutics, Inc.
399 Binney Street
Cambridge, MA 02142
Attention: Sebastian Trousil, Chief Operating Officer

With a copy (which shall not constitute notice) to:

Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP
3570 Carmel Mountain Road
San Diego, CA 92130
Attention: Kirt W. Shuldberg, esq. and Brendan C. McCarthy, esq.

If to B+L, as follows:

Bausch + Lomb Ireland Limited
3013 Citywest Business Campus
Dublin 34, Ireland
Attention: Director
[***]

with a copy (which shall not constitute notice) to:

Bausch & Lomb Americas Inc.
400 Somerset Corporate Boulevard
Bridgewater, NJ 08807
Attention: General Counsel
[***]

12.13 Further Assurances. Each Party shall perform all further acts and things and execute and deliver such further documents as may be necessary or as the other Party may reasonably require to implement or give effect to this Agreement.

12.14 No Strict Construction. This Agreement shall be construed as if it were drafted jointly by the Parties.

12.15 Headings. The headings herein are for convenience purposes only and shall not be used to interpret any of the provisions hereof.

12.16 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which taken together shall be deemed to constitute one and the same instrument. An executed signature page of this Agreement delivered by facsimile transmission or by electronic mail in "portable document format" (".pdf") shall be as effective as an original executed signature page.

12.17 Non-Exclusive Remedies. The remedies set forth in this Agreement shall be in addition to, and shall not be to the exclusion of, any other remedies available to the Parties at Law, in equity or under this Agreement.

[*Signature page follows.*]

IN WITNESS WHEREOF this Agreement has been signed by the duly authorized representatives of the Parties as of the Effective Date.

CITY THERAPEUTICS, INC.

By: /s/ John Maraganore
Name: John Maraganore
Title: Executive Chair

BAUSCH + LOMB IRELAND LIMITED

By: /s/ Olive McDaid
Name: Olive McDaid
Title: Director

[*Signature Page to Research Collaboration and License Agreement*]

SCHEDULE 1.142

RESEARCH PLAN

[***]

Confidential and Proprietary

SCHEDULE 2.9

PRE-CLINICAL DATA PACKAGE

[***]

EXHIBIT 6.2

FORM OF NOTE PURCHASE AGREEMENT,
INCLUDING CONVERTIBLE PROMISSORY NOTE

[***]

SCHEDULE 10.2.1

LICENSED PATENTS

[***]

All provisions are subject to addition, elimination or revision by either Party. All provisions, communications and discussions are tentative until execution of a written agreement by both Parties.

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.

EXCLUSIVE LICENSE AGREEMENT AGT. NO. A2024-0103

This Exclusive License Agreement (the "**Agreement**") is made this 30th day of October, 2023 (the "**Effective Date**") by and between the Ohio State Innovation Foundation, with an address at 1524 North High Street, Columbus, OH 43201 (hereinafter, "**OSIF**") and City Therapeutics, Inc., with an address at 188 E. Blaine St., Suite 125, Seattle, WA 98102 (hereinafter, "**Licensee**"); collectively, "**Parties**", or singly, "**Party**".

WHEREAS, OSIF, the technology transfer function for The Ohio State University ("**OSU**"), owns, controls or has the right to license the Patent Rights;

WHEREAS, OSIF desires to have the Patent Rights developed and used for the benefit of the public; and

WHEREAS, Licensee desires to license the Patent Rights to develop and commercialize Licensed Products under the terms and conditions of this Agreement.

NOW, **THEREFORE**, in consideration of the mutual covenants and promises herein contained, the Parties hereby agree as follows:

1. Definitions.

"**Affiliate**" means any entity that: (a) directly or indirectly owns or controls; (b) is owned or controlled by; or (c) is under common ownership or control with another entity; where "ownership" and "control" mean: (i) possession, or the right to possession, of at least fifty percent (>=50%) of the voting stock of the entity; (ii) the power to direct the management and policies of the entity; (iii) the power to appoint or remove a majority of the board of directors of the entity; or (iv) the right to receive at least fifty percent (>=50%) of the profits or earnings of the entity. While an entity is entitled to the rights of an Affiliate under this Agreement for only the period of time the entity qualifies as an Affiliate under this definition, all obligations under this Agreement that accrued to the entity while an Affiliate shall survive until fulfilled even though the entity no longer qualifies as an Affiliate.

"**Confidential Information**" means all Licensee Information or OSIF Information, as applicable, in each case that is provided by the applicable Party ("**Discloser**") to the other Party ("**Recipient**") but excluding information: (a) was already in possession of Recipient (or when Recipient is OSIF, in its possession or that of OSU) when provided by Discloser, as shown by competent evidence, other than from an individual affiliated with both Parties; (b) is now, or becomes in the future, public knowledge other than through a violation of this Agreement; (c) is independently developed by individual(s) not affiliated with both Parties and without knowledge of or access to the Confidential Information, as shown by contemporaneously written records; or (d) is lawfully obtained without restriction from a third party who did not obtain the information directly or indirectly from Discloser (or when the Discloser is OSIF, from OSIF or OSU) or another individual affiliated with both Parties.

"**Contract Period**" means each of the three-month periods ending on March 31, June 30, September 30, and December 31 of each Contract Year.

"**Combination Product**" means a product consisting of a Licensed Product packaged, bundled, or otherwise combined for sale with one or more other products or technology ("**Other Components**") and sold for a single price.

"**Contract Year**" means each 12-month period ending on December 31.

"**Designee**" means [***].

"**Equity Financing**" means a cash investment in a bona fide financing for capital raising purposes in exchange for any equity securities or securities exchangeable or convertible into equity securities including, without limitation, any capital stock (common or preferred) in Licensee.

"**Field of Use**" means [***].

"**Fully-Diluted**" means (i) the total number of shares of common stock of Licensee outstanding, assuming full conversion of all issued and outstanding securities convertible or exchangeable into common stock of Licensee, and the exercise of all then outstanding options (whether then vested or not), warrants, convertible notes and SAFEs or other instruments convertible into common stock of Licensee, whether or not then exercisable, exchangeable, or convertible; and (ii) the number of unissued but reserved shares of common stock of Licensee that have been authorized or reserved for issuance or award under Licensee's stock option plan pool or other equity compensation plan.

"**Government**" means any agency, department or other unit of the United States of America or the State of Ohio.

"**including**" means including, but without limitation.

"**Licensed Product**" means any product or process that is Covered in whole or in part by a Valid Claim and/or whose manufacture or use is Covered in whole or in part by a Valid Claim. "Covered," with respect to a product or process and a Valid Claim, means that the manufacture, use, sale, offering for sale, or importation of such product or process would, but for ownership of or a license to the relevant Patent Rights, either (i) in the case of any claim of an unexpired issued or granted Patent Rights, infringe a Valid Claim in the country in which the activity occurs, or (ii) in the case of any pending Valid Claim of Patent Rights, would infringe a Valid Claim of the Patent Rights if such pending claim was in an issued patent in the country in which the activity occurs.

"**Licensee Information**" means information Licensee is required to provide OSIF under this Agreement (and any information OSIF obtains in an Examination of Licensee or its Sublicensees).

"**Major Market**" means [***].

"**Net Sales**" means [***].

In the case of any Combination Product sold in a given country in the Territory, Net Sales for the purpose of determining royalties and sales milestone events of the Combination Product in such country will be calculated by [***].

"**Non-Royalty Sublicensing Consideration**" means the gross amount of consideration received by Licensee or its Affiliate in exchange for the grant of a sublicense under the Patent Rights but excluding: [***].

"**Optioned Related Work**" means a Related Work that Licensee elects to include under this Agreement in accordance with Section 2.6.

"**OSIF Information**" means information contained in unpublished patent applications for the Patent Rights that OSIF intends to file and any information provided by OSIF in connection with this Agreement. Notwithstanding the foregoing, no technical or scientific information or inventions shall be deemed OSIF Information under this Agreement except what is contained in such unpublished patent applications.

"**Patent Rights**" means all OSIF's rights in all: (a) patents and/or patent applications listed in Appendix 1, all patent applications claiming an invention disclosed in any of the Technology Disclosures listed in Appendix 1, all patent applications claiming an Optioned Related Work, and all patent applications claiming Ohio State Subject Inventions or Joint Subject Inventions (as such terms are defined in the Sponsored Research Agreement entered into by and between The Ohio State University and Licensee on or around even date herewith; (b) patent applications that claim priority thereto, including all divisionals, continuations and continuations-in-part (but only to the extent of the subject matter that is fully disclosed and enabled by subsection (a) to satisfy 35 U.S.C. §112); (c) patents issuing on subsections (a) and/or (b); (d) reissues, reexaminations, extensions and supplementary protection certificates referencing any of the foregoing subsections; and (e) all foreign equivalents of any of the foregoing.

"**Payment Deadline**" means [***].

"**Phase 1 Clinical Trial**" means, as to a specific Licensed Product (whether as a monotherapy or in combination with one or more other products), a study as described in 21 C.F.R. § 312.21(a); or a similar clinical study in a country other than the United States.

"**Phase 2 Clinical Trial**" means, as to a specific Licensed Product (whether as a monotherapy or in combination with one or more other products), a study in humans designed with the principal purpose of determining initial efficacy and dosing of such Licensed Product in patients for the indication(s) being studied as described in 21 C.F.R. § 312.21(b); or a similar clinical study in a country other than the United States.

"**Phase 3 Clinical Trial**" means, as to a specific Licensed Product (whether as a monotherapy or in combination with one or more other products), a lawful study in humans of the efficacy and safety of such Licensed Product, which is prospectively designed to demonstrate statistically whether such Licensed Product is effective and safe for use in a particular indication in a manner sufficient to file an application to obtain Regulatory Approval to market and sell that Licensed Product in the United States or another country for the indication being investigated by the study, as described in 21 C.F.R. § 312.21(c); or a similar clinical study in a country other than the United States.

"**Regulatory Approval**" in a particular country or jurisdiction means all approvals (including any applicable governmental and reimbursement approvals), licenses, registrations, and authorizations of any federal, national, multinational, state, provincial or local regulatory authority, department, bureau and other governmental entity that are necessary for the marketing and sale of a Licensed Product in a country or jurisdiction.

"**Related Work(s)**" means a patentable invention created by at least one (1) inventor of the Patent Rights that (i) has application within the Field of Use; (ii) is not otherwise obligated to a third party in a way that would prevent the license to Licensee hereunder; and (iii) is disclosed to OSIF within one (1) years of the Effective Date.

"**Sublicense Agreement**" means any agreement or arrangement pursuant to which Licensee or its Affiliates whether directly or through multiple tiers, grants a third party a license under the Patent Rights to make, use, offer for sale, sell, and import a Licensed Product; regardless of whether the agreement or arrangement requires or is captioned as a license or sublicense under the Patent Rights. A "**Direct Sublicense Agreement**" means a Sublicense Agreement pursuant to which Licensee or its Affiliates grant such a license directly to a third party (and not via a third party sublicensing to another third party as an additional tier).

"**Sublicensee**" means any third party that enters into a Sublicense Agreement with Licensee , its Affiliate or its sublicensees. A "**Direct Sublicensee**" shall mean a third party that enters into a Sublicense Agreement with Licensee or its Affiliate.

"**Territory**" means [***]**.**

"**Valid Claim**" means a pending or issued and unexpired claim of the Patent Rights so long as the claim: (a) has not been irrevocably abandoned or declared to be invalid through no fault of Licensee in a non-appealable decision of a court or other government agency of competent jurisdiction; or (b) is not a claim of a patent application that is still pending more than [***] years after its earliest priority date (for clarity, such claim shall become a Valid Claim if actually issued).

2. License Grant and Commercialization.

2.1 **Grant**. Subject to the terms and conditions of this Agreement and Licensee's compliance therewith, OSIF grants to Licensee and its Affiliates (but only those Affiliates to which Licensee notifies OSIF it is extending the license) and Licensee accepts a non-transferable, except as provided in Section 16, and royalty-bearing exclusive license under Patent Rights in the Field of Use in the Territory to make, have made, use, sell, offer for sale and import Licensed Product and otherwise practice under the Patent Rights in the Field of Use in the Territory.

On behalf of itself and OSU, OSIF reserves the right to [***].

Nothing contained in this Agreement or a Party's performance hereunder shall be construed as conferring, by implication, estoppel or otherwise, upon Licensee, its Affiliates, its Sublicensees, any party in privity therewith or any customer thereof, any right, title or interest under any intellectual or tangible property right at any time, except for those rights under the Patent Rights expressly granted in Section 2.1. OSIF reserves all rights, titles and interests not expressly granted in Section 2.1 Nothing herein shall be construed as a sale of the Patent Rights. Licensee agrees not to practice the Patent Rights outside the Field of Use or outside the Territory.

2.2 **Sublicensing.** Subject to the terms and conditions of this Agreement and Licensee's, and its Affiliates' compliance therewith, Licensee may grant Sublicenses under the Patent Rights without the consent of OSIF, through multiple tiers.

(a) Each Sublicense Agreement shall: (i) be in writing; and (ii) consistent with the scope of Patent Rights granted to Licensee hereunder; and each Direct Sublicense shall include a right of termination by Licensee in the event that Sublicensee acts in any manner that would constitute a material breach of this Agreement if such action or inaction were that of Licensee.

(b) Licensee shall deliver to OSIF a copy of each Sublicense Agreement granted and all modifications or terminations thereof, within [***] following the applicable execution, modification or termination; provided, however, that Licensee may redact from such copy sensitive or confidential information that is not reasonably necessary for OSIF to monitor Licensee's compliance with the terms of this Agreement. Notwithstanding, any redacted Sublicense Agreement and all modifications or terminations shall not redact information that is necessary to allow OSIF to reasonably assess whether Licensee is in compliance with its obligations under the Agreement and to verify amounts payable under this Agreement in connection with a sublicense.

(c) Notwithstanding any Sublicense Agreement, Licensee shall remain liable to OSIF for all of Licensee's duties and obligations contained in this Agreement and Sublicensee's breach of its Sublicense Agreement that would cause Licensee to be in noncompliance with this Agreement.

2.3 **Government Rights.** Licensee understands that Patent Rights may have been conceived or first actually reduced to practice, or during the Term may be first actually reduced to practice, under a funding agreement with a Government and, if so, that Government has certain rights relative thereto. This Agreement is limited by and made subject to the Government's rights under any such agreement and under any applicable Government's law or regulation, including 35 U.S.C. §200 et seq. ("**Bayh-Dole Act**"). To the extent that there is a conflict between any such agreement, such applicable law or regulation and this Agreement, the terms and conditions of such Government agreement, and/or applicable law or regulation, shall prevail. Licensee agrees to comply and permit OSIF to comply with the Bayh-Dole Act, including to provide the reporting required, and unless waived pursuant to the Bayh-Dole Act to substantially manufacture Licensed Products and products produced through the use of Licensed Products in the United States to the extent required by the Bayh-Dole Act.

2.4 **Diligent Commercialization.** Licensee shall be required to use Commercially Reasonable Efforts to achieve Regulatory Approval in a Major Market for a Licensed Product and, after achieving Regulatory Approval, to commercialize such Licensed Product. Without limiting the foregoing, Licensee shall, at a minimum achieve (by itself or through its Affiliates or Sublicensees) the milestone events stated below (the "**Diligence Milestones**"):

#	Diligence Milestone	Deadline
1	[***]	[***]
2	[***]	[***]
3	[***]	[***]
4	[***]	[***]
5	[***]	[***]
6	[***]	[***]
7	[***]	[***]
8	[***]	[***]

[***]

[***]

(a) In addition to the foregoing milestones, Licensee (or its Affiliates, or Sublicensees) shall use Commercially Reasonable Efforts (as defined below) to obtain Regulatory Approval of a Licensed Product in a Major Market, and thereafter, to commercialize the applicable Licensed Product. "**Commercially Reasonable Efforts**" means, [***]

(b) [***]

(c) [***]

(d) [***]

(e) [***]

2.5 **No Use of OSU Resources**. [***].

2.6 **Related Works Option**. OSIF will attempt to identify and disclose each Related Work, if any, to Licensee. Upon disclosure of a Related Work by OSIF to Licensee, Licensee shall have [***] exclusive option (an "Option") to notify OSIF to amend this Agreement to include Related Works.

3. Compensation.

3.1 **Royalties**. On a Licensed Product-by-Licensed Product basis, by each Payment Deadline, Licensee shall pay OSIF non-refundable and non-creditable running royalties as follows:

(a) [***]) in Net Sales of such Licensed Product in such Contract Year; and

(b) [***] of Net Sales of such Licensed Product [***] in such Contract Year;

(collectively the "Royalties").

If Licensee, its Affiliates, or Sublicensees pay royalties to one or more third parties to obtain a license to intellectual property rights necessary to make, have made, use, sell, offer for sale, or import Licensed Products, Licensee may credit [***] such third-party payments against royalties owed to OSIF hereunder, provided that [***]

3.2 **Minimum Annual Royalties.** Beginning with the Contract Year following the first commercial sale of a Licensed Product that has received Regulatory Approval in a Major Market and for Contract Year thereafter during the Term, Licensee shall pay OSIF a non-refundable minimum annual royalty of [***], due by such Contract Year's Payment Deadline (each the "**Minimum Annual Royalty**").

Payment of the Minimum Annual Royalty shall be credited toward Royalties due in the Contract Year to which the payment corresponds.

3.3 **Milestone Fees**. On a Licensed Product-by-Licensed Product basis, Licensee shall pay OSIF the following amounts within [***] of achievement of each corresponding Payment Milestone (as such term is used in the column of the table below) achieved by with respect to such Licensed Product, according to the following (each a "**Milestone Fee**" and, collectively the "**Milestone Fees**"):

#	**Payment Milestone**	**Milestone Fee**
1	[***]	[***]
2	[***]	[***]
3	[***]	[***]
4	[***]	[***]
5	[***]	[***]

Each of the foregoing milestones shall be paid no more than once for a Licensed Product and, for clarity, the aggregate amount of milestone payments shall not exceed $4,200,000 for each Licensed Product. [***]

[***]

3.4 **Sublicense Fees.** For clarity, Net Sales by Affiliates and Sublicensees shall be subject to royalties payable to OSIF as provided in Section 3.1. Also, within [***] of receiving any Non-Royalty Sublicensing Consideration, Licensee shall pay OSIF a percentage of such Non-Royalty Sublicensing Consideration (each a "**Sublicense Fee**" and, collectively, the "**Sublicensee Fees**"). Such percentage shall be determined as follows on a Sublicense Agreement-by- Sublicense Agreement basis at the time such Sublicense Agreement is entered into:

(a) [***]of Non-Royalty Sublicensing Consideration under a Sublicense Agreement executed [***];

(b) [***]of Non-Royalty Sublicensing Consideration under a Sublicense Agreement executed [***];

(c) [***] of Non-Royalty Sublicensing Consideration under a Sublicense Agreement executed [***]; or

(d) [***] of Non-Royalty Sublicensing Consideration under a Sublicense Agreement executed [***].

If Licensee receives Non-Royalty Sublicensing Consideration for the achievement of a milestone for which Licensee must also pay OSIF a milestone fee in accordance with Section 3.3, then Licensee's Sublicensee Fee for such Non-Royalty Sublicensing Consideration shall be reduced by the amount of such Milestone Fee actually paid to OSIF by Licensee

3.5 **Equity Consideration**. On the Effective Date, conditioned upon execution by the Licensee, OSIF and Designee of a Stock Issuance Agreement in the form attached hereto as Appendix 5 (the "**Stock Issuance Agreement**"), Licensee shall issue to Designee equity securities in the form of shares of common stock ("**Equity Securities**") constituting five percent (5%) of the ownership of Licensee on a Fully-Diluted basis (such fully-diluted percentage, the "Applicable Percentage"). Such Equity Securities shall be delivered to Designee in a certificate, affidavit, or other applicable form duly signed by the Licensee or, via an electronic stock certificate such as through Carta. All shares issued to Designee under this Section 3.5 will be considered fully paid and non-assessable.

3.6 **Anti-Dilution.** As equity protection, Licensee shall issue to Designee (without cost) additional Equity Securities sufficient for Designee to preserve its Applicable Percentage basis until Licensee has obtained paid in capital from Equity Financings (i.e., cash contributed by investors through direct purchase of equity securities from Licensee) of at least eight million dollars ($8,000,000.00) ("**Equity Financing Threshold**").

[***]

[***]

3.7 Document Review Reimbursement

Within [***] after Licensee's receipt of an invoice from OSIF on or after the Effective Date, Licensee shall reimburse OSIF for up to [***] in aggregate costs and expenses associated with [***]. "Document Review Reimbursement". Without limitation, failure to strictly comply with Section 3.7 shall be considered a payment default under Section 9.3(a).

4. Reports and Plans.

4.1 **Reports and Plans**. Utilizing the report forms in Appendices 2 and 3, incorporated herein by reference, or other report forms that provide substantially similar information, Licensee shall provide to the attention of OSIF's payment and reporting contact stated in Appendix 4: (a) [***]. If no payments are due in any Contract Period, then Licensee shall submit the report so stating. The obligations in this Section 4 are in addition to and not in lieu of the other reporting obligations in this Agreement. Notwithstanding the foregoing, Licensee shall have no obligation to provide Appendix 3B until after first Regulatory Approval of a Licensed Product.

5. **Licensee Information**. The capitalization table set forth as Appendix 6 shows all outstanding and reserved equity securities and convertible notes of Licensee as of the date hereof on a Fully-Diluted basis. Upon the consummation of any Equity Financing or at OSIF's request, Licensee shall provide an updated capitalization table along with a certification from a responsible officer of Licensee certifying the table's completeness and accuracy. Additionally, so long as OSIF or OSIF's Designee owns any equity in the Licensee, and without limitation to Section 6.5, OSIF shall be entitled to examine the books and records of the Licensee as OSIF may reasonably request at reasonable times concerning the general status of the Licensee's financial condition and operations, provided that access to highly confidential proprietary information and facilities need not be provided and that Licensee shall have no obligation to grant such access beyond what Delaware law, including but not limited to DGCL § 220, requires a company provide to its shareholders. Notwithstanding, OSIF shall receive quarterly and annual financial statements upon which they are made available to other shareholders of the Licensee holding common stock of the Licensee (and not any preferred shares). If no financial statements for the last fiscal year have been sent to common shareholders, the Licensee shall, upon the written request of OSIF, deliver or mail to OSIF within [***] thereafter the annual financial statements or, at Licensee's option, the Licensee's most recent 409A results. Notwithstanding the foregoing, this Section shall not apply after a public offering of any of Licensee's securities.

6. Payment, Records, and Audits.

6.1 **Payments**. All amounts referred to in this Agreement are expressed in U.S. dollars without deductions for taxes, assessments, fees, or charges of any kind. All payments to OSIF shall be made in U.S. dollars by check or wire transfer (Licensee to pay all wire or other transfer fees) payable to Ohio State Innovation Foundation as stated in Appendix 4. Licensee may not make any tax withholdings from payments to OSIF.

6.2 **Sales Outside the U.S**. If any currency conversion shall be required in connection with the calculation of payments hereunder, such conversion shall be made using the rate used by Licensee for its financial reporting purposes in accordance with U.S. Generally Accepted Accounting Principles (or foreign equivalent).

6.3 **Late Payments**. Amounts not subject to a good faith dispute that are not paid when due shall accrue a late charge from the due date until payment is received by OSIF, at a rate equal to [***] (or the maximum allowed by law, if less). Acceptance of late payments does not negate or waive any other right or remedy to which OSIF may be entitled.

6.4 **Records**. For a period of [***] after the Contract Period to which the records pertain, Licensee agrees that it, Affiliates and Sublicensees shall keep complete and accurate records pertaining to any consideration relating to this Agreement (including payments made by Sublicensees to Licensee or its Affiliates), including [***], in sufficient detail to enable payments or securities due hereunder to be determined and audited.

6.5 **Auditing**. An independent public accountant selected by OSIF and reasonably acceptable to Licensee, shall be permitted, [***], to periodically examine and/or audit the records required by Section 6.4 ("**Examination**") during regular business hours, at Licensee's and/or its Sublicensee's place of business, on [***] advance notice, to verify any payment or report relating to this Agreement (including payments made by Sublicensees to Licensee or its Affiliates). For each Sublicensee, Licensee shall obtain such Examination rights for OSIF and itself. If Licensee conducts an Examination of Sublicensee's records, Licensee shall furnish to OSIF a copy of the findings from such Examination and OSIF shall then have no right to audit such Sublicensee for the period covered by Licensee's audit. No more than one Examination of Licensee and each Sublicensee shall be conducted under this Section 6.5 in any twelve month period. If any amounts due to OSIF have been underpaid as of the date of the Examination, then Licensee shall immediately pay OSIF the amount of such underpayment plus accrued interest due in accordance with Section 6.3. If the amount of underpayment is equal to or greater than [***] of the total amount due for the records so examined, Licensee shall also reimburse OSIF the costs of such Examination and any collection actions taken. Such Examinations may, at OSIF's sole discretion, consist of a self-audit conducted by Licensee and/or Sublicensee at their respective expense and certified in writing by an authorized officer of Licensee and/or Sublicensee. For all purposes of the foregoing and without limitation, a "Big 4" accounting firm compensated on a non-contingency basis shall be deemed reasonably acceptable to Licensee.

7. Intellectual Property Management.

7.1 **Past Patent Expenses**. Within [***] after Licensee's receipt of an invoice from OSIF on or after the Effective Date, Licensee shall reimburse OSIF for [***].

7.2 **Ongoing Patent Expenses**. Licensee shall pay all out-of-pocket expenses associated with prosecuting and maintaining the Patent Rights incurred on or after the Effective Date within [***] after Licensee's receipt of each invoice from OSIF. Notwithstanding the foregoing, from time to time, OSIF may require Licensee to pre-pay such expenses reasonably predicted within [***] for certain Patent Rights upon written request, including for nationalization of the Patent Rights. [***].

7.3 **Responsibility & Coordination.** In its discretion, OSIF shall control the preparation, prosecution, defense and maintenance of the Patent Rights using counsel of its choosing. So long as Licensee is not in default of Section 7.2, OSIF shall instruct such patent counsel to provide copies of all material documents it receives from, or submits to patent offices regarding the Patent Rights in the Field of Use and Territory. OSIF will use best efforts provide Licensee such documents reasonably in advance of any due date to review and provide comments, and OSIF shall reasonably consider Licensee's comments when timely provided. OSIF shall not abandon prosecution of any last pending U.S. or foreign patent application without first notifying Licensee of OSIF's intention and reason therefore at least [***] prior to any bar date and providing Licensee with reasonable opportunity to assume responsibility for prosecution and maintenance of such patents and patent applications. [***].

7.4 **Foreign Filings.** In addition to the U.S., the Patent Rights shall, subject to applicable bar dates and Licensee's compliance with Section 7.2, be pursued in such foreign countries as Licensee so designates in writing to OSIF in sufficient time to reasonably enable the preparation of such additional filings (in no event [***] prior to any deadline), and in those foreign countries in which OSIF has filed applications prior to the Effective Date. If Licensee does not choose to pursue patent rights in a particular foreign country and OSIF chooses to do so, Licensee shall so notify OSIF, and thereafter said patent application or patent shall no longer be included in the Patent Rights and Licensee shall have no further rights thereto. For clarity, OSIF shall control all decisions relating to applying for a Unitary Patent at the European Patent Office.

7.5 **Withdrawal from Paying Patent Costs**. If at any time Licensee wishes to cease paying for any costs for a particular Patent Right, including for patent prosecution in a particular jurisdiction, Licensee must give OSIF at [***] prior written notice and Licensee shall continue to be obligated under Section 7.2 for costs and expenses incurred during said notice period. Thereafter, said patent application or patent shall no longer be included in the Patent Rights for such jurisdiction and Licensee shall have no further rights thereto.

8. Infringement and Litigation.

8.1 **Enforcement**. In the event that Licensee or its Affiliate(s), or Sublicensee(s) believe there is infringement of any Patent Rights under this Agreement which is to its substantial detriment, Licensee will provide OSIF with notification and reasonable evidence of such infringement. Licensee shall have the first right to enforce the Patent Rights in the Field of Use against potential infringers ("**Enforcement Action**"). Upon request by Licensee, OSIF will provide Licensee with such assistance and information as may be useful to Licensee in connection with an Enforcement Action (if Licensee reimburses OSIF for OSIF's reasonable out-of-pocket expenses in connection therewith). [***].

If OSIF notifies Licensee of infringement of the Patent Rights, and Licensee does not take action to enforce such Patent Rights within [***] after such notice, then OSIF may enforce the Patent Rights against such infringers and Licensee will provide OSIF with such assistance and information as may be reasonably useful to OSIF in connection with an action (if OSIF reimburses Licensee for Licensee's reasonable out-of-pocket expenses in connection therewith).

8.2 [***]In any infringement suit or dispute regarding the Patent Rights, the Parties agree to cooperate fully with each other in a reasonable manner. [***].

(a) [***]

(b) [***]

[***]

9. Term and Termination.

9.1 **Term.** Unless earlier terminated as provided herein, the term of this Agreement shall commence on the Effective Date and continue until the expiration of the last to expire of the Patent Rights ("**Term**").

9.2 **Termination by Licensee.** Licensee, at its option, may terminate this Agreement by providing OSIF written notice stating its reason for termination, and such termination shall become effective [***] after receipt of such notice by OSIF.

9.3 **Termination by OSIF.** OSIF, at its option, may immediately terminate this Agreement upon delivery of written notice to Licensee of OSIF's decision to terminate, if any of the following occur:

(a) Licensee has failed to make any payment when due under this Agreement, and does not make the required payment within [***] after delivery of written notice thereof from OSIF;

(b) Licensee is in breach of any non-payment provision of this Agreement, and does not cure such breach within [***] after delivery of written notice from OSIF; or

(c) To the extent not prohibited by applicable law, Licensee or its Affiliate or Sublicensee initiates any proceeding or action to challenge the validity, enforceability, or ownership or scope of one or more of the Patent Rights, or intentionally assists a third party in pursuing such a proceeding or action, and, in each case, does not withdraw such proceeding or action (or, in the case of a challenge by a Sublicensee, Licensee does not terminate the corresponding Sublicense) within [***] after OSIF's notice thereof. For clarity, a proceeding or action (e.g., an action for a declaratory judgment) with solely respect to whether a claim Covers a certain activity shall not be deemed a challenge to the scope of the Patent Rights.

9.4 **Other Conditions of Termination.** This Agreement shall terminate:

(a) [***] upon OSIF giving written notice to Licensee, unless prohibited by applicable law, if: (i) Licensee is judicially declared bankrupt; (ii) Licensee's Board of Directors elects to liquidate its assets or dissolve its business, in each case, without a successor to which this Agreement is assigned; (iii) Licensee makes an assignment for the benefit of creditors; or (iv) if the business of Licensee is otherwise placed in the hands of a receiver, assignee or trustee, whether by voluntary act of Licensee or otherwise and such placement by involuntary act of Licensee is not dismissed within [***]; or

(b) At any time by mutual written agreement between Licensee and OSIF. For clarity, a decision to sell all Licensee's assets relating to this Agreement to a third party shall not be deemed a liquidation of assets that give rise to termination pursuant to Section 9.4(b) above.

9.5 **Effect of Termination**. If this Agreement:

(a) Is terminated, then all Direct Sublicense Agreements (and all Sublicense Agreements under such Direct Sublicense Agreement) shall remain in effect provided that: (i) the applicable Direct Sublicensee agrees to assume all obligations of Licensee under this Agreement with respect to the activities of such Direct Sublicensee (and its Sublicensees) and agrees that OSIF shall have the same termination rights with respect to such Direct Sublicensee as it had with Licensee; and (ii) if the Agreement was terminated for Licensee's breach and such breach is reasonably curable by Sublicensee (e.g., payment of any amount), Sublicensee cures such breach [***] of such termination;

(b) Is terminated, then, except as necessary to give effect to the foregoing paragraph, all rights granted under this Agreement [***] revert to OSIF, and Licensee shall have no rights to practice under the Patent Rights, including making, having made, distributing, having distributed, using, providing, selling, offering to sell, leasing, loaning and importing any Licensed Products after the effective date of termination;

(c) Is terminated or expires, then Licensee [***] shall tender payment of all accrued payments due to OSIF as of the effective date of termination or expiration, including payment of all unreimbursed costs and expenses incurred under Section 7 prior to the effective date of termination or expiration upon receipt of invoice therefor, and render a final report covering the subject matter described in Section 4 and 5; in each case regardless of whether otherwise due hereunder

(d) Is terminated or expires, then nothing in this Agreement shall be construed to release either Party from any liability that matured (including payment obligations that accrued) prior to the effective date of termination or expiration; and

(e) Is terminated or expires, then this provision Section 9.5(e) and the provisions of Sections 1 (Definitions), 8.2 (Cooperation between OSIF and Licensee), 10 (Confidentiality), 12.2 (OSIF Disclaimers), 13 (Limit of Liability), 14 (Indemnification Obligation), 15 (Insurance Requirements), 18 (Use of Name), 19 (Notices), and 20 (General Provisions) shall survive any termination or expiration of this Agreement until their purposes are fulfilled. In addition, the provisions of Sections 3 (Compensation), 4 (Reports and Plans), 6 (Payment, Records and Audits), and 7 (Intellectual Property Management) shall survive with respect to all activities and payment obligations accruing prior to the termination or expiration of this Agreement (provided, however, that for the avoidance of doubt, the provisions of Section 3.6 shall not survive to include any Equity Financings that occur after termination or expiration off this Agreement). In addition, the termination or expiration of this Agreement shall by itself have no effect on the equity issued to OSIF or Designee pursuant to the terms hereof.

10. Confidentiality.

10.1 **Treatment of Confidential Information**. Recipient shall use reasonable care to safeguard the confidentiality of the Discloser's Confidential Information and shall not provide any of the Discloser's Confidential Information to third parties nor use the Discloser's Confidential Information other than as permitted below. For clarity, and notwithstanding anything to the contrary in any other Agreement between the Parties or between OSU and Licensee, nothing restricts Licensee from using or disclosing any information contained in any Technology Disclosures except to the extent this Agreement expressly restricts the use of OSIF Information.

10.2 **Right to Disclose**.

(a) Licensee consents to OSIF disclosing Licensee's Confidential Information to OSU, and other third parties to the extent it is reasonably necessary to fulfill its obligations or exercise its rights under this Agreement, on the condition OSIF has confidentiality obligations and non-use restrictions at least as stringent as those on OSIF hereunder with OSU and/or such third parties.

(b) To the extent it is reasonably necessary to fulfill its obligations or exercise its rights under this Agreement, Licensee may disclose OSIF Confidential Information on the condition that the party to whom it provides the OSIF Confidential Information has agreed to terms and conditions of confidentiality and non-use at least as stringent as those on Licensee herein. In no event shall Licensee or anyone receiving OSIF's Confidential Information from Licensee use OSIF's Confidential Information in a manner detrimental to OSIF, OSU or their respective rights.

(c) If Recipient is required by law, regulation, or court order to disclose any of the Discloser's Confidential Information, then it may do so provided it had promptly notified Discloser and had reasonably assisted Discloser, if needed, for Discloser to try to obtain a protective order or other remedy of Discloser's election and expense.

(d) Notwithstanding anything to the contrary, neither Party is obligated to maintain the existence of this Agreement as Confidential Information.

10.3 **Surviving Obligations**. All Confidential Information of the other party shall be returned or destruction certified at the end of the Term, at Discloser's election, provided that Recipient shall be permitted to retain one copy of the Confidential Information in its legal function in order to verify its compliance hereunder and electronic records maintained for archival purposes need not be destroyed. The Parties' confidentiality and non-use obligations under this Agreement shall survive the expiration or termination of this Agreement and shall continue for a period of [***] thereafter.

10.4 **Injunctive Relief**. In addition to and not in lieu of any other rights or remedies, Discloser may seek specific performance, injunctive and other equitable relief as a remedy for any breach or threatened breach of this Section 10 without showing actual monetary damages in connection therewith.

11. **Export Compliance.** Without limiting Section 12.3(c), Licensee shall observe all applicable United States and foreign laws and regulations with respect to the research, development, manufacture, marketing and transfer of Licensed Products and related technical data, including, without limitation, the International Traffic in Arms Regulations (ITAR) and the Export Administration Regulation and hereby represents and covenants that Licensee: (a) is neither a national of, nor controlled by a national of, any country to which the United States prohibits the export or re-export of goods, services, or technology; (b) is not a person specifically designated as ineligible to export from the United States or deal in U.S. origin goods, services, or technologies; (c) shall not export or re-export, directly or indirectly, any goods, services, or technology to any country or person (including juridical persons) to which the United States prohibits the export of goods, technology or services; and (d) in the event that a United States government license or authorization is required for an export or re-export of goods, services, or technology (including technical information acquired from OSIF under this Agreement and/or any products created by using such technical information or any part thereof), shall obtain any necessary United States government license or other authorization prior to undertaking the export or re-export. Without limitation, Licensee shall require a provision in Sublicense Agreement, substantially similar to this Section 11, requiring that Sublicensees comply with all then-current applicable export laws and regulations and other applicable laws and regulations.

12. **Representations and Disclaimers.**

12.1 **OSIF Representations.** Except for the rights, if any, of the Government, OSIF represents and warrants to Licensee that to the knowledge of OSIF: (a) OSIF is the owner or agent of the entire right, title, and interest in and to Patent Rights; (b) OSIF has the right to grant the license(s) hereunder; and, (c) OSIF has not knowingly granted and shall not knowingly grant licenses or other rights under the Patent Rights that are in conflict with the terms and conditions in this Agreement.

12.2 **OSIF Disclaimers.** EXCEPT AS SPECIFICALLY SET FORTH IN SECTION 12.1, LICENSEE UNDERSTANDS AND AGREES THAT OSIF MAKES NO OTHER REPRESENTATIONS OR WARRANTIES AND OSIF, ON BEHALF OF ITSELF AND OSU, EXPRESSLY DISCLAIM ALL OTHER REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS, STATUTORY, IMPLIED OR OTHERWISE, INCLUDING AS TO THE LICENSED PRODUCTS, THE OPERABILITY OR FITNESS FOR ANY USE OR PARTICULAR PURPOSE, MERCHANTABILITY, SAFETY, EFFICACY, APPROVABILITY BY REGULATORY AUTHORITIES, TIME AND COST OF DEVELOPMENT, PATENTABILITY, NONINFRINGEMENT, BREADTH OF PATENT RIGHTS, WHETHER ANY CLAIM WILL ISSUE OR IS VALID, AND AS TO WHETHER THERE ARE ANY PATENTS NOW HELD, OR WHICH MAY BECOME HELD, BY ANY ENTITY THAT MIGHT BE REQUIRED FOR THE PRACTICE OF PATENT RIGHTS.

12.3 **Licensee Representation.** Licensee represents and warrants that: (a) Licensee has: (i) not been induced in any way by OSIF or its employees to enter into this Agreement; (ii) been given an opportunity to conduct sufficient due diligence with respect to all items and issues pertaining to this Agreement; (iii) adequate knowledge and expertise to conduct the due diligence; and (iv) accepted all risks inherent herein; (b) it is a duly organized and validly existing entity in good standing under the laws of its jurisdiction of organization, and has all necessary corporate or other appropriate power and authority to execute, deliver and perform its obligations hereunder; (c) it shall comply with all applicable international, national, or local laws and regulations in its performance under this Agreement, including export control laws; (d) it shall diligently pursue the development, manufacture, and sale of Licensed Products throughout the Term to the extent set forth in Section 2.4; and (e)) it shall continue to maintain throughout the Term and beyond insurance coverage as set forth in Section 15.

13. **Limit of Liability.** IN NO EVENT SHALL OSIF, OSU OR THEIR RESPECTIVE AFFILIATES, OR THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, STUDENTS, TRUSTEES, AGENTS OR INDEPENDENT CONTRACTORS IN THEIR CAPACITY FOR OSIF OR OSU OR SUCH AFFILIATE, BE LIABLE FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL, INCIDENTAL, EXEMPLARY, OR PUNITIVE DAMAGES, INCLUDING DAMAGES FOR LOSS OF PROFITS OR REVENUE ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR PATENT RIGHTS, REGARDLESS OF WHETHER ANY SUCH PARTY KNOWS OR SHOULD KNOW OF THE POSSIBILITY OF SUCH DAMAGES. OTHER THAN FOR LIABILITIES AGAINST LICENSEE FOR WHICH IT PROVIDES INDEMNIFICATION (SECTION 14) OR FOR MISUSE, MISAPPROPRIATION OR INFRINGEMENT OF OSIF'S INTELLECTUAL PROPERTY RIGHTS, LICENSEE SHALL NOT BE LIABLE TO OSIF FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES (INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF PROFITS OR REVENUE) ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, REGARDLESS OF WHETHER LICENSEE KNOWS OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES.

14. **Indemnification Obligation.** Licensee agrees to hold harmless, defend and indemnify OSIF, OSU, their respective Affiliates, and their respective officers, directors, employees, students, inventors, trustees, agents, and independent contractors ("**Indemnified Parties**") from and against any liabilities, damages, causes of action, suits, judgments, liens, penalties, fines, losses, costs and expenses, including reasonable attorneys' fees and other expenses of litigation, resulting from claims or demands brought by third parties (collectively "**Liabilities**") against an Indemnified Party on account of any injury or death of persons, damage to property, or any other damage or loss arising out of or in connection with this Agreement, and/or the exercise or practice of the rights granted hereunder by or under authority of Licensee and/or Sublicensee, or third party person or entity having a Licensed Product; provided, however, Licensee shall have no responsibility or obligation under this Section 14 to the extent of Liabilities caused solely by the gross negligence or willful misconduct by OSIF. OSIF shall: (a) promptly notify Licensee of the Liability, (b) grant Licensee control of defense or settlement of such Liability, and (c) provide Licensee with reasonable assistance, at Licensee's request, in the defense or settlement of such Liability, subject to Licensee reimbursing the OSIF for all reasonable out-of-pocket expenses incurred in providing such assistance. Licensee will not make any settlement regarding OSIF without the consent of OSIF, approval of which will not be unreasonably withheld.

15. **Insurance Requirements.** Prior to any Licensed Product being used, including for the purpose of obtaining regulatory approval, or offered for sale by Licensee or Sublicensee, and for a period of [***] after this Agreement expires or is terminated, Licensee shall, at its sole cost and expense, procure and maintain commercial general liability insurance in commercially reasonable and appropriate amounts for the Licensed Product to ensure its obligations under this Agreement. Licensee shall use commercially reasonable efforts to have OSIF, OSU and their respective Affiliates, officers, directors and employees named as additional insureds. Such commercial general liability insurance shall provide, without limitation: (a) product liability coverage; (b) broad form contractual liability coverage for Licensee's indemnification under this Agreement; and (c) coverage for abatement and/or litigation costs. Upon request by OSIF, Licensee shall provide OSIF with written evidence of such insurance. Additionally, Licensee shall provide OSIF with advance written notice of at least [***] prior to Licensee cancelling, not renewing, or materially changing such insurance.

16. **Assignment**. This Agreement is not assignable by a Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld, provided, however, that Licensee may assign this Agreement without the prior written consent of OSIF in connection with the sale of all or substantially all of its stock, business or assets to which this Agreement relates.

17. **Patent Markings.** Licensee agrees that all Licensed Products shall be marked as permitted in accordance with each country's patent marking laws, including Title 35, U.S. Code, in the United States.

18. **Use of Name.** Licensee shall not use the name, trademarks or other marks of OSIF or OSU without the advance written consent of OSIF and OSU. OSIF and OSU may use Licensee's name for annual reports, brochures, website and internal reports without prior consent.

19. **Notices.** Any notice or other communication of the Parties required or permitted to be given or made under this Agreement shall be in writing and shall be deemed effective on the date received when sent in a manner that provides confirmation or acknowledgement of delivery and received at the applicable address set forth in Appendix 4, incorporated herein by reference. Notices required under this Agreement may be delivered via E-mail provided such notice is confirmed in writing as indicated. Late payment notices are sufficiently delivered via E-mail only.

20. **General Provisions.**

20.1 **Binding Effect**. This Agreement is binding upon the Parties hereto, their respective executors, administrators, heirs, assigns and successors in interest and inures to the benefit of the Parties and their permitted successors and assigns. Conveyances made in contravention with the terms of this Agreement shall be null and void.

20.2 **Construction of Agreement.** Both Parties agree that any ambiguity in this Agreement shall not be construed more favorably toward one Party than the other Party, regardless of which Party primarily drafted this Agreement. Headings are for the convenience of the Parties and do not impart independent meaning to this Agreement.

20.3 **Counterparts and Signatures.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. A Party may evidence its execution and delivery of this Agreement by transmission of a signed copy of this Agreement via facsimile or email.

20.4 **Registration of Licenses**. Licensee agrees to register and give required notice concerning this Agreement, at its expense, in each country where an obligation exists under law to so register or give notice and shall reasonably consider OSIF's comments regarding redaction.

20.5 **Governing Law; Jurisdiction.** This Agreement shall be construed and enforced in accordance with laws of the State of Ohio, without regard to choice of law and conflicts of law principles.

20.6 **Modification.** Any modification of this Agreement shall be effective only if it is in writing and signed by duly authorized representatives of both Parties.

20.7 **Severability.** If any provision hereof is invalid, illegal or unenforceable in any jurisdiction, the Parties hereto shall negotiate in good faith a valid, legal and enforceable substitute provision that most nearly reflects the original intent of the Parties, and all other provisions hereof shall remain in full force and effect in such jurisdiction and shall be construed in order to carry out the intentions of the Parties hereto as nearly as may be possible. Such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of such other provisions in any other jurisdiction, so long as the essential essence of this Agreement remains enforceable.

20.8 **Third Party Beneficiaries.** Nothing in this Agreement shall be interpreted as placing the Parties in an employment, partnership, joint venture or agency relationship and neither Party shall have the right or authority to obligate or bind the other Party on its behalf. Nothing in this Agreement, express or implied, is intended to confer any benefits, rights or remedies on any entity, other than the Parties, OSU, and their permitted successors and assigns.

20.9 **Waiver.** Neither Party shall be deemed to have waived any of its rights under this Agreement unless the waiver is in writing and signed by such Party. No delay or omission of a Party in exercising or enforcing a right or remedy under this Agreement shall operate as a waiver thereof.

20.10 **Good Faith and Fair Dealing.** The Parties shall perform their respective obligations and exercise their rights under this Agreement in good faith and with fair dealing, including, but not limited to, the granting of Sublicense Agreements under Section 2.2 of this Agreement and payment of compensation under Article 3 of this Agreement.

20.11 **Entire Agreement**. This Agreement constitutes the entire agreement between the Parties regarding the subject matter hereof, and supersedes all prior written or verbal agreements, representations and understandings relative to such matters.

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Agreement.

Ohio State Innovation Foundation		City Therapeutics, Inc.	
BY:	/s/ Kevin Taylor	BY:	/s/ Ari Nowacek
NAME:	Kevin Taylor	NAME:	Ari Nowacek
TITLE:	President	TITLE:	President
DATE:	11/03/2023	DATE:	11/02/2023

APPENDIX 1

Description of Patent Rights

[***]

APPENDIX 2A

ANNUAL REPORT

[***]

Appendix 2B

OSIF FUNDING SOURCE &
EMPLOYMENT SURVEY AS OF
____ (FISCAL YEAR END)

[***]

Appendix 3A

Milestone Report

[***]

Appendix 3B

Royalty Report

[***]

Appendix 4

Contact Information

[***]

Appendix 5

Stock Issuance Agreement

[***]

Appendix 6

Capitalization Table as of the Effective Date

[***]

All provisions are subject to addition, elimination or revision by either Party. All provisions, communications and discussions are tentative until execution of a written agreement by both Parties.

AMENDMENT NO. 1 TO LICENSE AGREEMENT

This Amendment No. 1 to the License Agreement ("Amendment"), having an effective date of February 8, 2024 ("Amendment Effective Date"), is made and entered by and between Ohio State Innovation Foundation, located at Mount Hall, 1st Floor, 1050 Carmack Rd Columbus, OH 43210 ("OSIF") and City Therapeutics, Inc., with an address at 188 E. Blaine St., Suite 125, Seattle, WA 98102 ("Licensee"), (individually "Party" or together "the Parties").

BACKGROUND

WHEREAS, OSIF and Licensee entered into an Exclusive License Agreement dated October 30, 2023, OSIF agreement No. A2024-0103 (the "License Agreement"); and

WHEREAS, OSIF and Licensee would like to amend and modify the License Agreement as identified below and such amendment shall be incorporated as part of the License Agreement.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereto agree as follows:

1. Definitions. All capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the License Agreement.

2. The following Patent Rights are hereby added to Appendix 1:

   [***]

3. The following Technology Disclosures are hereby added to Appendix 1:

   [***]

4. Within [***] after Licensee's receipt of an invoice from OSIF, Licensee shall reimburse OSIF for all out-of-pocket expenses associated with the filing of [***].

5. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute an agreement, notwithstanding that all parties are not signatories to the same counterpart. Facsimile, documents executed, scanned and transmitted electronically and electronic signatures, including portable document format (".pdf"), shall be deemed original documents for purposes of this Agreement, including the signature pages, and all matters related thereto, with such facsimile, scanned and electronic signatures having the same legal effect as original signatures.

6. Continued Force and Effect. Except as provided in this Amendment, all terms, conditions, and provisions of the License Agreement shall remain and continue in full force and effect as provided therein.

7. IN WITNESS WHEREOF, the parties hereto have entered into this Amendment effective as of the Amendment Effective Date.

OHIO STATE INNOVATION FOUNDATION		CITY THERAPEUTICS, INC.	
By:	/s/ Kevin Taylor	By:	/s/ Ari Nowacek
Name:	Kevin Taylor	Name:	Ari Nowacek
Title:	President	Title:	President
Date:	02/09/2024	Date:	02/09/2024

AMENDMENT NO. 2 TO EXCLUSIVE LICENSE AGREEMENT
AGT. NO. A2025-1883

This Amendment No. 2 to the Exclusive License Agreement ("Amendment No. 2") is made this 3rd day of April 2025 ("Amendment No.2 Effective Date") by and between **Ohio State Innovation Foundation**, located at Energy Advancement and Innovation Center, 2281 Kenny Rd., Suite 210, Columbus, OH 43210 ("OSIF") and **City Therapeutics, Inc.,** with an address at 399 Binney Street, Cambridge, MA 02142 (hereinafter "Licensee"), collectively, the "Parties", or singly, "Party".

BACKGROUND

WHEREAS, OSIF and Licensee entered into an Exclusive License Agreement dated October 30, 2023 which was subsequently amended on February 8, 2024 (the "License Agreement"); and

WHEREAS, OSIF and Licensee would like to amend and modify the License Agreement as identified below and such amendment shall be incorporated as part of the License Agreement.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereto agree as follows:

1. Definitions. All capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the License Agreement.

2. The following Patent Rights are hereby added to Appendix 1:

   [***]

3. The following Technology Disclosures are hereby added to Appendix 1:

   [***]

4. Within [***] after Licensee's receipt of an invoice from OSIF, Licensee shall reimburse OSIF for all out-of-pocket expenses associated with the filing of [***].

5. Counterparts. This Amendment No. 2 may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute an agreement, notwithstanding that all parties are not signatories to the same counterpart.

6. Continued Force and Effect. Except as provided in this Amendment No. 2, all terms, conditions, and provisions of the License Agreement shall remain and continue in full force and effect as provided therein.

IN WITNESS WHEREOF, the Parties hereto have entered this Amendment No. 2 effective as of the Amendment No. 2 Effective Date.

OHIO STATE INNOVATION FOUNDATION		CITY THERAPEUTICS, INC.	
BY:	/s/ Kevin Taylor	BY:	/s/ Ari Nowacek
NAME:	Kevin Taylor	NAME:	Ari Nowacek
TITLE:	President	TITLE:	President
DATE:	04/11/2025	DATE:	04/11/2025

AMENDMENT NO. 3 TO EXCLUSIVE LICENSE AGREEMENT

This Amendment No. 3 to the License Agreement ("Amendment No. 3") is made this 13th day of May 2025 ("Amendment No. 3 Effective Date") by and between **Ohio State Innovation Foundation**, located at Energy Advancement and Innovation Center, Room 210, 2281 Kenny Road Columbus, OH 43210 ("OSIF") and **City Therapeutics, Inc.,** with an address at 399 Binney Street, Cambridge, MA 02142 (hereinafter "Licensee"), collectively, the "Parties", or singly, "Party".

BACKGROUND

WHEREAS, OSIF and Licensee entered into an Exclusive License Agreement (AGT. NO. A2024-0103) dated October 30, 2023 which was subsequently amended on February 8, 2024 and April 3, 2025 (the "License Agreement"); and

WHEREAS, OSIF and Licensee would like to amend and modify the License Agreement as identified below and such amendment shall be incorporated as part of the License Agreement.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereto agree as follows:

1. Definitions. All capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the License Agreement.

2. The following Patent Rights are hereby added to Appendix 1:

   [***]

3. The following Technology Disclosures are hereby added to Appendix 1:

   [***]

4. Within [***] after Licensee's receipt of an invoice from OSIF, Licensee shall reimburse OSIF for all out-of-pocket expenses associated with the filing of [***].

5. Counterparts. This Amendment No. 3 may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute an agreement, notwithstanding that all parties are not signatories to the same counterpart.

6. Continued Force and Effect. Except as provided in this Amendment No. 3, all terms, conditions, and provisions of the License Agreement shall remain and continue in full force and effect as provided therein.

IN WITNESS WHEREOF, the Parties hereto have entered this Amendment No. 3 effective as of the Amendment No. 3 Effective Date.

OHIO STATE INNOVATION FOUNDATION		CITY THERAPEUTICS, INC.	
BY:	/s/ Kevin Taylor	BY:	/s/ Ari Nowacek
NAME:	Kevin Taylor	NAME:	Ari Nowacek
TITLE:	President	TITLE:	SVP Corporate Development
DATE:	05/21/2025	DATE:	05/21/2025

AMENDMENT NO. 4 TO EXCLUSIVE LICENSE AGREEMENT

This Amendment No. 4 to the License Agreement ("Amendment No. 4") is made this 4th day of July 2025 ("Amendment No.4 Effective Date") by and between **Ohio State Innovation Foundation**, located at Energy Advancement and Innovation Center, Room 210, 2281 Kenny Road Columbus, OH 43210 ("OSIF") and **City Therapeutics, Inc.,** with an address at 399 Binney Street, Cambridge, MA 02142 (hereinafter "Licensee"), collectively, the "Parties", or singly, "Party".

BACKGROUND

WHEREAS, OSIF and Licensee entered into an Exclusive License Agreement (AGT. NO. A2024-0103) dated October 30, 2023 which was subsequently amended on February 8, 2024, April 3, 2025, and May 13, 2025 (the "License Agreement"); and

WHEREAS, OSIF and Licensee would like to amend and modify the License Agreement as identified below and such amendment shall be incorporated as part of the License Agreement.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereto agree as follows:

1. Definitions. All capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the License Agreement.

2. The following Patent Rights are hereby added to Appendix 1:

   [***]

3. The following Technology Disclosures are hereby added to Appendix 1:

   [***]

4. Within [***] after Licensee's receipt of an invoice from OSIF, Licensee shall reimburse OSIF for all out-of-pocket expenses associated with the filing of [***]. Current out-of-pocket expenses associated with the filing of [***] are estimated to be [***] as of Amendment No.4 Effective Date.

5. Counterparts. This Amendment No. 4 may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute an agreement, notwithstanding that all parties are not signatories to the same counterpart.

6. Continued Force and Effect. Except as provided in this Amendment No. 4, all terms, conditions, and provisions of the License Agreement shall remain and in full force and effect as provided therein.

IN WITNESS WHEREOF, the Parties hereto have entered this Amendment No. 4 effective as of the Amendment No. 4 Effective Date.

OHIO STATE INNOVATION FOUNDATION		CITY THERAPEUTICS, INC.	
BY:	/s/ Kevin Taylor	BY:	/s/ Ari Nowacek
NAME:	Kevin Taylor	NAME:	Ari Nowacek
TITLE:	President	TITLE:	SVP Corporate Development
DATE:	07/08/2025	DATE:	07/08/2025

AMENDMENT NO. 5 TO EXCLUSIVE LICENSE AGREEMENT

This Amendment No. 5 to the License Agreement ("Amendment No. 5") is made this 26th day of August 2025 ("Amendment No. 5 Effective Date") by and between **Ohio State Innovation Foundation**, located at Energy Advancement and Innovation Center, Room 210 2281 Kenny Road Columbus, OH 43210 ("OSIF") and **City Therapeutics, Inc.,** with an address at 399 Binney Street, Cambridge, MA 02142 (hereinafter "Licensee"), collectively, the "Parties", or singly, "Party".

BACKGROUND

WHEREAS, OSIF and Licensee entered into an Exclusive License Agreement (AGT. NO. A2024-0103) dated October 30, 2023 which was subsequently amended on February 8, 2024, April 3, 2025, May 13, 2025, and July 4, 2025 (the "License Agreement"); and

WHEREAS, OSIF and Licensee would like to amend and modify the License Agreement as identified below and such amendment shall be incorporated as part of the License Agreement.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereto agree as follows:

1. Definitions. All capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the License Agreement.

2. The following Patent Rights are hereby added to Appendix 1:

   [***]

3. The following Technology Disclosures are hereby added to Appendix 1:

   [***]

4. Within [***] after Licensee's receipt of an invoice from OSIF, Licensee shall reimburse OSIF for all out-of-pocket expenses associated with the filing of [***].

5. Counterparts. This Amendment No. 5 may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute an agreement, notwithstanding that all parties are not signatories to the same counterpart.

6. Continued Force and Effect. Except as provided in this Amendment No. 5, all terms, conditions, and provisions of the License Agreement shall remain and continue in full force and effect as provided therein.

IN WITNESS WHEREOF, the Parties hereto have entered this Amendment No. 5 effective as of the Amendment No. 5 Effective Date.

OHIO STATE INNOVATION FOUNDATION		CITY THERAPEUTICS, INC.	
BY:	/s/ Kevin Taylor	BY:	/s/ Ari Nowacek
NAME:	Kevin Taylor	NAME:	Ari Nowacek
TITLE:	President	TITLE:	SVP Corporate Development
DATE:	08/28/2025	DATE:	08/27/2025

Exhibit 10.13

CONSULTING AGREEMENT

This Consulting Agreement (the "Agreement") between City Therapeutics, Inc., a Delaware corporation ("Company") and the counterparty identified in the signature block below ("Consultant") is effective as of, and this document memorializes the agreement that the parties have had since, the first day of Consultant's Services (defined below) to the Company (regardless of the execution date hereof). The parties agree as follows:

1. Services; Payment; No Violation of Rights or Obligations. Consultant agrees to undertake and complete the Services (as defined in Exhibit A) in accordance with and on the schedule specified in Exhibit A. As the only consideration due to Consultant regarding the subject matter of this Agreement, Company will pay Consultant as (and only as) expressly stated in Exhibit A. Unless otherwise specifically agreed upon by Company in writing (and notwithstanding any other provision of this Agreement), all Services will be performed by and only by Consultant. Consultant agrees that it will not violate any agreement with or rights of any third party or, except as expressly authorized by Company in writing hereafter, use or disclose at any time Consultant's own or any third party's confidential information or intellectual property in connection with the Services or otherwise for or on behalf of Company.

2. Ownership; Rights; Proprietary Information; Publicity.

a. Company shall own solely and exclusively and in perpetuity all right, title and interest (including patent rights, copyright rights, trade secret rights, mask work rights, trademark rights, *sui generis* database rights and all other rights of any sort throughout the world) relating to any and all inventions (whether or not patentable), works of authorship, mask works, designations, designs, know-how, ideas and information made or conceived or reduced to practice, in whole or in part, by Consultant in connection with the Services or any Proprietary Information (defined below) (collectively, "Inventions") and Consultant will promptly disclose and provide all Inventions to Company. Consultant hereby makes and agrees to make all assignments necessary to accomplish the foregoing ownership. Consultant shall further assist Company, at Company's expense, to further evidence, record and perfect such assignments, and to perfect, obtain, maintain, enforce and defend any rights purported to be assigned. Consultant hereby irrevocably designates and appoints Company as its agents and attorneys-in-fact to act for and on Consultant's behalf to execute and file any document and to do all other lawfully permitted acts to further the foregoing with the same legal force and effect as if executed by Consultant. Consultant hereby confirms that the rights that vest with the Company in relation to the Inventions shall not be deemed to lapse if the Company does not exercise the rights for any period.

b. Consultant agrees that all Inventions and all other business, technical and financial information (including, without limitation, the identity of and information relating to Company's customers or employees) that Consultant or anyone acting on Consultant's behalf develops, learns or obtains in connection with the Services or that are received by or for Company in confidence, constitute "Proprietary Information." Consultant will hold in confidence and not disclose or, except in performing the Services, use any Proprietary Information. However, Consultant shall not be obligated under this paragraph with respect to information Consultant can document is or becomes readily publicly available without restriction through no fault of Consultant. Furthermore, Consultant understands that this Agreement does not affect Consultant's immunity under 18 USC Sections 1833(b)(1) or (2), which read as follows:

(1) An individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(2) An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.

Upon termination or as otherwise requested by Company, Consultant will promptly return to Company all items and copies containing or embodying Proprietary Information, except that Consultant may keep its personal copies of its compensation records and this Agreement.

c. As additional protection for Proprietary Information, Consultant agrees that during the period over which it is to be providing the Services Consultant will not directly or indirectly encourage or solicit any employee or consultant of Company to leave Company for any reason. Without limiting the foregoing, Consultant may perform services for other persons, provided that such services do not represent a conflict of interest or a breach of Consultant's obligation under this Agreement or otherwise.

d. To the extent allowed by law, Section 2.a and any license granted to Company hereunder includes all rights of paternity, integrity, disclosure and withdrawal and any other rights that may be known as or referred to as "moral rights," "artist's rights," "droit moral," or the like. Furthermore, Consultant agrees that notwithstanding any rights of publicity, privacy or otherwise (whether or not statutory) anywhere in the world, in exchange for the sufficient compensation set forth herein, Company may and is hereby authorized to use Consultant's name in connection with promotion of Company's business, products and services and to allow others to do so. To the extent any of the foregoing is ineffective under applicable law, Consultant hereby provides any and all ratifications and consents necessary to accomplish the purposes of the foregoing to the extent possible. Consultant will confirm any such ratifications and consents from time to time as requested by Company.

e. If any part of the Services or Inventions or information or other intellectual property provided hereunder is based on, incorporates, or is an improvement or derivative of, or cannot be reasonably and fully made, used, reproduced, distributed, modified, commercialized or otherwise exploited (collectively, "Exploit" or "Exploitation") without using or violating technology or intellectual property rights owned by or licensed to Consultant and not assigned hereunder, Consultant hereby grants Company and its successors a perpetual, irrevocable, worldwide royalty-free, nonexclusive, sublicensable right and license to fully Exploit and exercise all such technology and intellectual property rights in support of Company's exercise or Exploitation of the Services, Inventions, other intellectual property or other work performed or provided hereunder or any assigned rights (including any modifications, improvements and derivatives of any of the foregoing).

3. Termination. Either party may terminate this Agreement upon ten (10) days' written notice; provided that any termination of this Agreement by the Company shall require prior approval from the Company's Board of Directors. Sections 2 (subject to the limitations set forth in Section 2.c) through 7 of this Agreement and any remedies for breach of this Agreement shall survive any termination or expiration. Company may communicate the obligations contained in this Agreement to any other (or potential) client or employer of Consultant.

4. Relationship of the Parties; Independent Contractor; No Employee Benefits. Notwithstanding any provision hereof, Consultant is an independent contractor and is not an employee, agent, partner or joint venturer of Company and shall not bind nor attempt to bind Company to any contract. Consultant shall accept any directions issued by Company pertaining to the goals to be attained and the results to be achieved by Consultant, but Consultant shall be solely responsible for the manner and hours in which the Services are performed under this Agreement. Consultant shall not be eligible to participate in any of Company's employee benefit plans, fringe benefit programs, group insurance arrangements or similar programs. Company shall not provide workers' compensation, disability insurance, Social Security or unemployment compensation coverage or any other statutory benefit to Consultant. Consultant shall comply at Consultant's expense with all applicable provisions of workers' compensation laws, unemployment compensation laws, federal Social Security law, the Fair Labor Standards Act, federal, state and local income tax laws, and all other applicable federal, state and local laws, regulations and codes relating to terms and conditions of employment required to be fulfilled by employers or independent contractors.

5. Assignment. This Agreement and the services contemplated hereunder are personal to Consultant and Consultant shall not have the right or ability to assign, transfer or subcontract any rights or obligations under this Agreement without the written consent of Company. Any attempt to do so shall be void. Company may fully assign and transfer this Agreement in whole or part.

6. Notice. All notices under this Agreement shall be in writing and shall be deemed given when personally delivered, or three days after being sent by prepaid certified or registered U.S. mail to the address of the party to be noticed as set forth herein or to such other address as such party last provided to the other by written notice.

7. Miscellaneous. Any breach of Section 2 will cause irreparable harm to Company for which damages would not be an adequate remedy, and therefore, Company will be entitled to injunctive relief with respect thereto in addition to any other remedies. The failure of either party to enforce its rights under this Agreement at any time for any period shall not be construed as a waiver of such rights. No changes, additions, modifications or waivers to this Agreement will be effective unless in writing and signed by both parties. In the event that any provision of this Agreement shall be determined to be illegal or unenforceable, that provision will be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and enforceable. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to the conflicts of laws provisions thereof. In any action or proceeding to enforce rights under this Agreement, the prevailing party will be entitled to recover costs and attorneys' fees. Headings herein are for convenience of reference only and shall in no way affect interpretation of the Agreement. This Agreement represents the entire understanding and agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties with respect to the subject matter hereof.

JOHN MARAGANORE
(Consultant)

By: /s/ John Maraganore

Name: John Maraganore

Date: August 14, 2023

CITY THERAPEUTICS, INC.

By: /s/ Ari Nowacek

Name: Ari Nowacek

Title: President

Date: August 14, 2023

EXHIBIT A

SERVICES

The services are as follows (and also include any other work consultant performs for the Company or related to the Company's actual or proposed business, research or development):

- Consultant will oversee and/or assist with the financial, operational, and business development needs of the Company.

EQUITY

Subject to the approval of Company's Board of Directors or Compensation Committee, Consultant will be granted 750,000 shares of the Company's Common Stock, and the purchase price per share will be equal to the fair market value per share on the date the stock is granted. The stock grant will be subject to the terms and conditions of the applicable of Stock Purchase Agreement to be approved by Company's Board of Directors. Consultant will vest in in 25% of the shares after 12 months of continuous service and the remainder shall vest in equal monthly installments over the next 36 months of continuous service thereafter, as described in the applicable Stock Purchase Agreement. In addition, if (a) the Company is subject to a change in control before Consultant's service terminates and (b) Consultant is subject to an involuntary termination within 12 months after the change in control, Consultant's unvested shares shall vest. Consultant will also be entitled to reimbursement for expenses for which Consultant has received prior approval from Company.

EXPENSES

Expense reimbursement (1) limited to reasonable telephone and travel expenses authorized in writing by Company in advance, and (2) payable fifteen (15) days after itemized invoice and delivery of receipts.

Exhibit 10.14

CITY THERAPEUTICS, INC.

November 10, 2023

John Maraganore

via email

Dear John,

The Board of Directors (the "**Board**") of City Therapeutics, Inc. (the "**Company**") is pleased to offer you a position as a member and the executive chair of the Board. This position will be effective, and contingent upon, (i) your execution of this letter, and (ii) the approval of the Board in due course. We appreciate your willingness to serve the Company in this position and we look forward to your valuable contributions to the Board and the Company. Capitalized terms used in this letter and not otherwise defined shall be as defined in Exhibit A.

Subject to the approval of the Board, and upon the closing of the Company's Series A preferred stock financing (the "**Series A Financing**") and the Company's receipt of a 409A valuation thereafter, you will be granted an option to purchase that number of shares of the Company's Common Stock that, when added to the number of shares of Company Common Stock that you have otherwise been issued, equals 5.00% of the Company's Fully-Diluted Capitalization, calculated as of immediately following the Series A Financing (the "**Top-Up Option**"). The exercise price per share of the Top-Up Option will be determined by the Board when the Top-Up Option is granted. The Top-Up Option will be subject to the terms and conditions applicable to options granted under the Company's 2023 Stock Plan (the "**Plan**") and the applicable Stock Option Agreement. In addition, you will be eligible to be considered for additional equity grants in the future at the discretion of the Board.

The Company's Common Stock underlying the Top-Up Option will be subject to the Company's right of repurchase in the event that you depart your service to the Company before the shares are vested. Your shares will vest according to the following schedule: you will vest in 25% of the Top-Up Option shares after 12 months of continuous service from the closing of the Series A Financing and the balance will vest in equal monthly installments over the next 36 months of continuous service, as described in the applicable Stock Option Agreement. In addition, you will immediately vest in your remaining unvested Top-Up Option shares (if applicable) if you are subject to an Involuntary Termination.

You will be paid a cash retainer of $200,000 annual compensation, subject to any tax withholding obligations and paid in accordance with the Company's regular payroll (the "Annual Retainer"). We will also reimburse you for reasonable expenses that you incur in connection with your services to the Company, including travel and attendance at meetings of the Board, or committees of the Board.

We plan to have at least one scheduled Board meeting every quarter. As a Board member, you are responsible for attending these scheduled meetings in person or, in the instances where in person attendance is not possible, by teleconference or videoconference.

In connection with your services to the Company, we expect that proprietary data and technical, business and financial information of the Company ("Confidential Information") will be disclosed to you. To the extent that Confidential Information is not publicly known or not otherwise previously known by you without an obligation of confidentiality, you agree (during the term of your service and thereafter) not to use (except in connection with your services to the Company) or disclose Confidential Information to any third party and to take reasonable steps to maintain the confidential nature of all Confidential Information.

As a precautionary matter and to avoid any conflicts of interest, we ask you to refrain, while you are a member of the Board, from providing advice or otherwise providing services to any competitor of the Company. In addition, we ask that you inform the Board of any potential or actual, direct or indirect, conflict of interest that you think exists or may arise because of your relationship with the Company, so that we may come to a quick and mutually agreeable resolution. By signing this letter agreement, you also represent and warrant that you have no contractual commitments or other legal obligations to a third party that would prohibit you from performing your duties for the Company.

While you are a member of the Board, the Company will maintain directors and officers liability insurance with commercially reasonable terms and coverage limits. You will be insured under this policy and may see a copy of the policy upon request.

As part of our overall responsibilities, the Company and the Company's stockholders reserve the right to remove any individual from the Board at any time in accordance with the provisions of applicable law, and subject to the terms of the Company's Voting Agreement. You, of course, may also terminate your relationship with Company at any time. When you cease to be a member of the Board (whether at our request or your election), you must return all Confidential Information to the Company.

This letter agreement supersedes and replace any prior agreements, representations or understandings (whether written, oral, implied or otherwise) between you and the Company and constitute the complete agreement between you and the Company regarding the subject matter set forth herein. This letter agreement may not be amended or modified, except by an express written agreement signed by both you and a duly authorized officer of the Company. The terms of this letter agreement and the resolution of any disputes as to the meaning, effect, performance or validity of this letter agreement or arising out of, related to, or in any way connected with, this letter agreement, your employment with the Company or any other relationship between you and the Company (the "Disputes") will be governed by Delaware law, excluding laws relating to conflicts or choice of law. You and the Company submit to the exclusive personal jurisdiction of the federal and state courts located in Delaware in connection with any Dispute or any claim related to any Dispute.

We are excited about you joining as executive chair of our Board and look forward to working with you to help make the Company a success. You may indicate your agreement with these terms and accept this offer by signing and dating this letter agreement and returning it to me.

[*Signature Page Follows*]

Very truly yours,

City Therapeutics, Inc.

By: /s/ Ari Nowacek
Name: Ari Nowacek
Title: President

I have read and accept this offer:

Signature: /s/ John Maraganore
Name: John Maraganore
Date: November 10, 2023

Exhibit A – Definitions

"**Cause**" shall mean:

(a) An unauthorized use or disclosure by you of the Company's confidential information or trade secrets, which use or disclosure causes material harm to the Company;

(b) A material breach by you of any agreement between the you and the Company that remains uncured 30 days after written notice thereof;

(c) A material and repeated failure by you to comply with the Company's written policies or rules that remains uncured 30 days after written notice thereof;

(d) Your conviction of, or plea of "guilty" or "no contest" to, a felony under the laws of the United States or any State thereof;

(e) Your gross negligence or willful misconduct;

(f) A continuing failure by you to perform assigned duties after receiving written notification of such failure from the Board of Directors; or

(g) A failure by you to cooperate in good faith with a governmental or internal investigation of the Company or its directors, officers or employees, if the Company has requested your cooperation.

"**Fully-Diluted Capitalization**" means all shares of capital stock of the Company issued and outstanding, assuming conversion or exercise of all outstanding convertible securities, rights, options and warrants and shares of Common Stock reserved for issuance under the Plan.

"**Involuntary Termination**" shall mean the termination of your Service by reason of: (a) your involuntary separation from Service for reasons other than Cause or (b) your Resignation for Good Reason.

"**Resignation for Good Reason**" means your resignation from Service within 12 months after one of the following conditions has come into existence without your consent:

(a) A reduction of your Annual Retainer by 10% or more without your consent;

(b) A material diminution of your authority, duties or responsibilities; or

(c) A breach by the Company of the terms of this letter.

A Resignation for Good Reason will not be deemed to have occurred unless you give the Company written notice of the condition within 90 days after the condition comes into existence and the Company fails to remedy the condition within 30 days after receiving your written notice.

"**Service**" shall mean service as a director of the Company.

AMENDMENT NO. 1 TO THE
OFFER LETTER

This Amendment No. 1 to the Offer Letter (the "**Amendment**") is entered into by and between City Therapeutics, Inc., a Delaware corporation (the "**Company**") and John Maraganore ("**you**"), effective as of April 17, 2024 (the "**Effective Date**").

WHEREAS, you and the Company previously entered into that Board Offer Letter, dated November 10, 2023 (the "**Offer Letter**"), which governs the terms of your position on the Company's Board of Directors; and

WHEREAS, in connection with the Company's Series A financing and to further induce the investors to purchase shares of the Company's Series A Preferred Stock, you and the Company now wish to amend the Offer Letter.

NOW, THEREFORE, in consideration of the promises and conditions contained herein, the undersigned parties agree as follows:

1. The second paragraph (beginning with "Subject to the approval of the Board" is hereby amended and restated as follows:

"Subject to the approval of the Board, and upon the closing of the Company's Series A preferred stock financing (the "**Series A Financing**") and the Company's receipt of a 409A valuation thereafter, you will be granted an option to purchase that number of shares of the Company's Common Stock that, when added to the number of shares of Company stock that you otherwise have purchased or been issued, equals 5.00% of the Company's Fully-Diluted Capitalization, calculated as of immediately following the Series A Financing (the "**Top-Up Option**"). The exercise price per share of the Top-Up Option will be determined by the Board when the Top-Up Option is granted. The Top-Up Option will be subject to the terms and conditions applicable to options granted under the Company's 2023 Stock Plan (the "**Plan**") and the applicable Stock Option Agreement. In addition, you will be eligible to be considered for additional equity grants in the future at the discretion of the Board."

2. **Miscellaneous**. Except as otherwise set forth above, all of the terms of the Offer Letter shall remain and continue in full force and effect. This Amendment and the Offer Letter, including the exhibits attached thereto, constitute the complete agreement between you and the Company, contain all of the terms of your employment with the Company, and supersede any prior agreements, representations or understandings (whether written, oral or implied) between you and the Company. This Amendment can only be amended or modified in a written agreement signed by both you and a duly authorized officer of the Company (other than you). This Amendment may be executed in two counterparts, each of which will be deemed an original, but both of which together will constitute one and the same instrument.

[Remainder of Page Left Intentionally Blank]

Please indicate your agreement with the above terms by signing below.

Very truly yours,

City Therapeutics, Inc.

By: /s/ Ari Nowacek
Name: Ari Nowacek
Title: President

I have read and accept this Amendment to my offer letter:

/s/ John Maraganore
John Maraganore

Date: 4/15/24

Exhibit 10.15

CITY THERAPEUTICS, INC.

November 9, 2024

Andrew Orth

Dear Andy:

City Therapeutics, Inc. (the "**Company**") is pleased to offer you employment on the following terms:

1. **Position**. Your title will be President and Chief Executive Officer, and you will report to the Company's Board of Directors (the "**Board**"). This is a full-time position. While you serve as Chief Executive Officer, you will also serve on the Board. While you render services to the Company, you will not engage in any other employment, consulting or other business activity (whether full-time or part-time) that would create a conflict of interest with the Company. By signing this letter agreement, you confirm to the Company that you have no contractual commitments or other legal obligations that would prohibit you from performing your duties for the Company.

2. **Cash Compensation**. The Company will pay you a starting salary at the rate of $475,000 per year, payable in accordance with the Company's standard payroll schedule. This salary will be subject to adjustment pursuant to the Company's employee compensation policies in effect from time to time. In addition, you will be eligible to be considered for an incentive bonus for each fiscal year of the Company. The bonus (if any) will be awarded based on objective or subjective criteria approved by the Board. Your target bonus will be equal to 45% of your annual base salary. Any bonus for the fiscal year in which your employment begins will be prorated, based on the number of days you are employed by the Company during that fiscal year. Any bonus for a fiscal year will be paid within 2½ months after the close of that fiscal year, but only if you are still employed by the Company at the time of payment. The determinations of the Board with respect to your bonus will be final and binding.

3. **Stock Options**. Subject to the approval of the Board, you will be awarded four option grants for a total of 1,370,000 shares of the Company's Common Stock (the "**Options**") as follows:

(a) The first grant will represent 860,000 shares of your total Options and be subject to time-based vesting (the "**Time-Based Option**"). You will vest in 25% of the shares subject to the Time-Based Option after 12 months of continuous service from your start date with the Company, and the balance will vest in equal monthly installments over the next 36 months of continuous service, as described in the applicable Stock Option Agreement.

(b) The second grant will represent 368,000 shares of your total Options and be subject to performance-based vesting (the "**First Performance-Based Option**"). The shares subject to the First Performance-Based Option will vest immediately upon the Company's first approval of an investigational new drug application ("**IND**") or IND equivalent for any program under development, subject to your continuous service from your start date through the date of such approval and as described in the applicable Stock Option Agreement.

(c) The third grant will represent 71,000 shares of your total Options and be subject to performance-based vesting (the "**Second Performance-Based Option**"). The shares subject to the Second Performance-Based Option will vest immediately upon the closing of an initial public offering of the Company resulting in at least $150,000,000 of gross proceeds to the Company at a pre-money valuation for the Company of at least $500,000,000 (the "**Qualified IPO**"), subject to your continuous service from your start date through the closing date of the Qualified IPO and as described in the applicable Stock Option Agreement.

(d) The fourth grant will represent 71,000 shares of your total Options and be subject to performance-based vesting (the "**Third Performance-Based Option**"). The shares subject to the Third Performance-Based Option will vest immediately upon Successful Completion of a clinical trial that: (a) has a stated efficacy end point; (b) conducted by the Company; and (c) uses a drug candidate originated by the Company as the investigational drug product, subject to your continuous service from your start date through the date of such completion and as described in the applicable Stock Option Agreement. "**Successful Completion**" means, with respect to a clinical trial for a product and indication, completion of all patient enrollment, treatment and testing for such clinical trial in accordance with its applicable processes and delivery to the Company of the final report(s) for such clinical trial, where the results of such clinical trial are determined by the Board to be sufficient to progress the investigational product to the next phase of clinical testing in humans for such indication.

The Options will be subject to the terms and conditions applicable to options granted under the Company's 2023 Stock Plan (the "**Plan**"), as described in the Plan and the applicable Stock Option Agreements. The exercise price per share of the Options will be determined by the Board when the Option is granted. You will immediately vest in your remaining unvested Option shares if (a) the Company is subject to a Change in Control before your service with the Company terminates and (b) you are subject to an Involuntary Termination upon or within 12 months after that Change in Control.

4. **Employee Benefits**. As a regular employee of the Company, you will be eligible to participate in a number of Company-sponsored benefits available to other employees of the Company, subject to the terms and conditions of such benefit plans. In addition, you will be entitled to paid time-off in accordance with the Company's PTO policy, as in effect from time to time.

5. **Severance Benefits**. In the event you are subject to an Involuntary Termination, provided you satisfy the conditions described in Section 5(c) below, you will be entitled to the following benefits:

(a) **Salary Continuation**. The Company will continue to pay your base salary for a period of 9 months after your Separation. Your base salary will be paid at the rate in effect at the time of your Separation and in accordance with the Company's standard payroll procedures. The salary continuation payments will commence within 60 days after your Separation and, once they commence, will include any unpaid amounts accrued from the date of your Separation. However, if the 60-day period described in the preceding sentence spans two calendar years, then the payments will in any event begin in the second calendar year.

(b) **COBRA**. Provided you elect to continue your health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act ("**COBRA**") following your Separation, the Company will pay the same portion of your monthly premium under COBRA as it pays for active employees and their eligible dependents until the earliest of (i) the close of the 9- month period following your Separation, (ii) the expiration of your continuation coverage under COBRA or (iii) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment.

(c) **Conditions**. This Section 5 will not apply unless you (i) have returned all Company property in your possession, (ii) have resigned as an officer and member of the Boards of Directors of the Company and all of its subsidiaries, to the extent applicable, and (iii) have executed a general release of all claims that you may have against the Company or persons affiliated with the Company. The release must be in the form reasonably prescribed by the Company, without alterations. You must execute and return the release on or before the date specified by the Company in the prescribed form (the "**Release Deadline**"). The Release Deadline will in no event be later than 50 days after your Separation. If you fail to return the release on or before the Release Deadline, or if you revoke the release, then you will not be entitled to the benefits described in this Section 5.

6. **Proprietary Information and Inventions Agreement**. Like all Company employees, you will be required, as a condition of your employment with the Company, to sign the Company's standard Proprietary Information and Inventions Agreement, a copy of which is attached hereto as **Exhibit A**.

7. **Employment Relationship**. Employment with the Company is for no specific period of time. Your employment with the Company will be "at will," meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause. Any contrary representations that may have been made to you are superseded by this letter agreement. This is the full and complete agreement between you and the Company on this term. Although your job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, may change from time to time, the "at will" nature of your employment may only be changed in an express written agreement signed by you and a duly authorized officer of the Company (other than you).

8. **Tax Matters**.

(a) **Withholding**. All forms of compensation referred to in this letter agreement are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law.

(b) **Section 409A**. The payments and benefits provided for under this letter agreement are intended to be exempt from Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**"), and any ambiguity arising under this letter agreement shall be interpreted in a manner consistent with that intent. Nonetheless, to the extent any payment or benefit provided under this letter agreement is deemed to be nonqualified deferred compensation that is subject to Section 409A of the Code, and if the Company determines that you are a "specified employee" under Section 409A(a)(2)(B)(i) of the Code at the time of your Separation, then any such payment(s), to the extent they are subject to Section 409A of the Code, will be made or commence, as applicable, on the first business day following (i) expiration of the six-month period measured from your Separation or (ii) the date of your death, with any payment installments that otherwise would have been paid prior to such date paid in a lump sum at that time. In addition, for purposes of Section 409A of the Code, each salary continuation payment under Section 5(a) is hereby designated as a separate payment.

(c) **Tax Advice**. You are encouraged to obtain your own tax advice regarding your compensation from the Company. You agree that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities, and you will not make any claim against the Company or its Board related to tax liabilities arising from your compensation.

9. **Interpretation, Amendment and Enforcement**. This letter agreement and Exhibit A supersede and replace any prior agreements, representations or understandings (whether written, oral, implied or otherwise) between you and the Company and constitute the complete agreement between you and the Company regarding the subject matter set forth herein. This letter agreement may not be amended or modified, except by an express written agreement signed by both you and a duly authorized officer of the Company.

10. **Definitions**.

"**Cause**" means any of the following by you: (a) participation in or commission of any act that would constitute a felony or a crime involving fraud, dishonesty, or moral turpitude under the laws of the United States or any state thereof; (b) violation of any federal or state law or regulation applicable to the Company's business that could result in material harm to the company or its operations; (c) material violation of any agreement between you and the Company, any Company policy, or any statutory duty owed to the Company or its stockholders; (d) an act of gross misconduct or of clear and material insubordination; (e) commission or attempted commission of, or participation in, a fraud or act of dishonesty against the Company; or (f) any unauthorized act that results in material harm to the Company's business.

"**Change in Control**" means (a) the consummation of a merger or consolidation of the Company with or into another entity, (b) a sale of all or substantially all of the assets of the Company or (c) the dissolution, liquidation or winding up of the Company. The foregoing notwithstanding, a merger or consolidation of the Company does not constitute a "Change in Control" if immediately after the merger or consolidation a majority of the voting power of the capital stock of the continuing or surviving entity, or any direct or indirect parent corporation of the continuing or surviving entity, will be owned by the persons who were the Company's stockholders immediately prior to the merger or consolidation in substantially the same proportions as their ownership of the voting power of the Company's capital stock immediately prior to the merger or consolidation.

"**Involuntary Termination**" means either (a) your Termination Without Cause or (b) your Resignation for Good Reason.

"**Resignation for Good Reason**" means a Separation as a result of your resignation within 12 months after one of the following conditions has come into existence without your consent:

(a) A reduction of your base salary by 10% or more without your consent; or

(b) A material diminution of your authority, duties or responsibilities.

A Resignation for Good Reason will not be deemed to have occurred unless you give the Company written notice of the condition within 90 days after the condition comes into existence and the Company fails to remedy the condition within 30 days after receiving your written notice.

"**Separation**" means a "separation from service," as defined in the regulations under Section 409A of the Code.

"**Termination Without Cause**" means a Separation as a result of a termination of your employment by the Company without Cause, provided you are willing and able to continue performing services within the meaning of Treasury Regulation 1.409A-1(n)(1).

* * * * *

We hope that you will accept our offer to join the Company. You may indicate your agreement with these terms and accept this offer by signing and dating both the enclosed duplicate original of this letter agreement and the enclosed Proprietary Information and Inventions Agreement and returning them to me. This offer, if not accepted, will expire at the close of business on [November 15, 2024]. As required by law, your employment with the Company is contingent upon your providing legal proof of your identity and authorization to work in the United States. Your employment is also contingent upon your starting work with the Company on or before January 1, 2025 (such date, the "**Start Date**").

Very truly yours,

City Therapeutics Inc.

By: /s/ John Maraganore
Name: John Maraganore
Title: President

I have read and accept this employment offer:

/s/ Andy Orth
Signature of Employee

Dated: November 13, 2024

Attachment

Exhibit A: Proprietary Information and Inventions Agreement

Exhibit 10.16

CITY THERAPEUTICS, INC.

March 21, 2025

Baisong Mei, MD, PhD

Dear Baisong:

City Therapeutics, Inc. (the "**Company**") is pleased to offer you employment on the following terms:

1. **Position**. Your initial title will be Chief Medical Officer, and you will initially report to Andrew Orth, the Company's Chief Executive Officer. This is a full-time position. While you render services to the Company, you will not engage in any other employment, consulting or other business activity (whether full-time or part-time) that would create a conflict of interest with the Company. By signing this letter agreement, you confirm to the Company that you have no contractual commitments or other legal obligations that would prohibit you from performing your duties for the Company.

2. **Cash Compensation**. The Company will pay you a starting salary at the rate of $475,000 per year, payable in accordance with the Company's standard payroll schedule. This salary will be subject to adjustment pursuant to the Company's employee compensation policies in effect from time to time. In addition, you will be eligible to be considered for an incentive bonus for each fiscal year of the Company. The bonus (if any) will be awarded based on objective or subjective criteria established by the Company's Chief Executive Officer and approved by the Company's Board of Directors. Your target bonus will be equal to 35% of your annual base salary. Any bonus for the fiscal year in which your employment begins will be prorated, based on the number of days you are employed by the Company during that fiscal year. Any bonus for a fiscal year will be paid within 2½ months after the close of that fiscal year, but only if you are still employed by the Company at the time of payment. The determinations of the Company's Board of Directors with respect to your bonus will be final and binding.

3. **Sign-On Bonus.** The Company will pay you a sign-on bonus of $50,000 (the "**Sign-On Bonus**"), less all applicable withholding and payroll taxes and other deductions required by law. The Sign-On Bonus shall be paid within 30 days following the Start Date (as defined below), provided that you are still employed by the Company at the time of such payment. If your employment is terminated within one year of the Start Date for any reason other than an Involuntary Termination then you agree that you shall pay the Company 100% of the Sign-On Bonus.

4. **Stock Options.** Subject to the approval of the Company's Board of Directors or its Compensation Committee, you will be awarded two option grants for a total of 328,400 shares of the Company's Common Stock (the "**Options**"). One of the Options will represent 229,880 shares and be subject to time-based vesting (the "**Time-Based Option**"), a second one will represent 98,520 shares and be subject to performance-based vesting (the "**Performance-Based Option**"). The exercise price per share of the Options will be determined by the Board of Directors or the Compensation Committee when the Option is granted. The Options will be subject to the terms and conditions applicable to options granted under the Company's 2023 Stock Plan (the "**Plan**"), as described in the Plan and the applicable Stock Option Agreements. You will vest in 25% of the shares subject to the Time-Based Option after 12 months of continuous service from your start date with the Company, and the balance will vest in equal monthly installments over the next 36 months of continuous service, as described in the applicable Stock Option Agreement. The shares subject to the Performance-Based Option will vest immediately upon the completion of the first human proof of concept clinical trial for a City Therapeutics product that demonstrates >80% knockdown and acceptable tolerability, in each case, as determined by the Board, subject to your continuous service from your start date through the date of such approval and as described in the applicable Stock Option Agreement. You will immediately vest in your remaining unvested Option shares if (a) the Company is subject to a Change in Control before your service with the Company terminates and (b) you are subject to an Involuntary Termination upon or within 12 months after that Change in Control.

5. **Employee Benefits**. As a regular employee of the Company, you will be eligible to participate in a number of Company-sponsored benefits available to other employees of the Company, subject to the terms and conditions of such benefit plans. In addition, you will be entitled to paid time-off in accordance with the Company's PTO policy, as in effect from time to time.

6. **Severance Benefits**. In the event you are subject to an Involuntary Termination, provided you satisfy the conditions described in Section 6(c) below, you will be entitled to the following benefits:

(a) **Salary Continuation**. The Company will continue to pay your base salary for a period of 9 months after your Separation. Your base salary will be paid at the rate in effect at the time of your Separation and in accordance with the Company's standard payroll procedures. The salary continuation payments will commence within 60 days after your Separation and, once they commence, will include any unpaid amounts accrued from the date of your Separation. However, if the 60-day period described in the preceding sentence spans two calendar years, then the payments will in any event begin in the second calendar year.

(b) **COBRA**. Provided you elect to continue your health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act ("**COBRA**") following your Separation, the Company will pay the same portion of your monthly premium under COBRA as it pays for active employees and their eligible dependents until the earliest of (i) the close of the 9-month period following your Separation, (ii) the expiration of your continuation coverage under COBRA or (iii) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment.

(c) **Conditions**. This Section 6 will not apply unless you (i) have returned all Company property in your possession, (ii) have resigned as an officer and member of the Boards of Directors of the Company and all of its subsidiaries, to the extent applicable, and (iii) have executed a general release of all claims that you may have against the Company or persons affiliated with the Company. The release must be in the form reasonably prescribed by the Company, without alterations. You must execute and return the release on or before the date specified by the Company in the prescribed form (the "**Release Deadline**"). The Release Deadline will in no event be later than 50 days after your Separation. If you fail to return the release on or before the Release Deadline, or if you revoke the release, then you will not be entitled to the benefits described in this Section 6.

7. **Proprietary Information and Inventions Agreement**. Like all Company employees, you will be required, as a condition of your employment with the Company, to sign the Company's standard Proprietary Information and Inventions Agreement, a copy of which is attached hereto as **Exhibit A**.

8. **Employment Relationship**. Employment with the Company is for no specific period of time. Your employment with the Company will be "at will," meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause. Any contrary representations that may have been made to you are superseded by this letter agreement. This is the full and complete agreement between you and the Company on this term. Although your job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, may change from time to time, the "at will" nature of your employment may only be changed in an express written agreement signed by you and a duly authorized officer of the Company (other than you).

9. **Tax Matters**.

(a) **Withholding**. All forms of compensation referred to in this letter agreement are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law.

(b) **Section 409A**. The payments and benefits provided for under this letter agreement are intended to be exempt from Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**"), and any ambiguity arising under this letter agreement shall be interpreted in a manner consistent with that intent. Nonetheless, to the extent any payment or benefit provided under this letter agreement is deemed to be nonqualified deferred compensation that is subject to Section 409A of the Code, and if the Company determines that you are a "specified employee" under Section 409A(a)(2)(B)(i) of the Code at the time of your Separation, then any such payment(s), to the extent they are subject to Section 409A of the Code, will be made or commence, as applicable, on the first business day following (i) expiration of the six-month period measured from your Separation or (ii) the date of your death, with any payment installments that otherwise would have been paid prior to such date paid in a lump sum at that time. In addition, for purposes of Section 409A of the Code, each salary continuation payment under Section 6(a) is hereby designated as a separate payment.

(c) **Tax Advice**. You are encouraged to obtain your own tax advice regarding your compensation from the Company. You agree that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities, and you will not make any claim against the Company or its Board of Directors related to tax liabilities arising from your compensation.

10. **Interpretation, Amendment and Enforcement**. This letter agreement and Exhibit A supersede and replace any prior agreements, representations or understandings (whether written, oral, implied or otherwise) between you and the Company and constitute the complete agreement between you and the Company regarding the subject matter set forth herein. This letter agreement may not be amended or modified, except by an express written agreement signed by both you and a duly authorized officer of the Company.

11. **Definitions**.

"**Cause**" means any of the following by you: (a) participation in or commission of any act that would constitute a felony or a crime involving fraud, dishonesty, or moral turpitude under the laws of the United States or any state thereof; (b) violation of any federal or state law or regulation applicable to the Company's business that could result in material harm to the company or its operations; (c) material violation of any agreement between you and the Company, any Company policy, or any statutory duty owed to the Company or its stockholders; (d) an act of gross misconduct or of clear and material insubordination; (e) commission or attempted commission of, or participation in, a fraud or act of dishonesty against the Company; or (f) any unauthorized act that results in material harm to the Company's business.

"**Change in Control**" means (a) the consummation of a merger or consolidation of the Company with or into another entity, (b) a sale of all or substantially all of the assets of the Company or (c) the dissolution, liquidation or winding up of the Company. The foregoing notwithstanding, a merger or consolidation of the Company does not constitute a "Change in Control" if immediately after the merger or consolidation a majority of the voting power of the capital stock of the continuing or surviving entity, or any direct or indirect parent corporation of the continuing or surviving entity, will be owned by the persons who were the Company's stockholders immediately prior to the merger or consolidation in substantially the same proportions as their ownership of the voting power of the Company's capital stock immediately prior to the merger or consolidation.

"**Involuntary Termination**" means either (a) your Termination Without Cause or (b) your Resignation for Good Reason.

"**Resignation for Good Reason**" means a Separation as a result of your resignation within 12 months after one of the following conditions has come into existence without your consent:

(a) A reduction of your base salary by 10% or more without your consent; or

(b) A material diminution of your authority, duties or responsibilities;

A Resignation for Good Reason will not be deemed to have occurred unless you give the Company written notice of the condition within 90 days after the condition comes into existence and the Company fails to remedy the condition within 30 days after receiving your written notice.

"**Separation**" means a "separation from service," as defined in the regulations under Section 409A of the Code.

"**Termination Without Cause**" means a Separation as a result of a termination of your employment by the Company without Cause, provided you are willing and able to continue performing services within the meaning of Treasury Regulation 1.409A-1(n)(1).

* * * * *

We hope that you will accept our offer to join the Company. You may indicate your agreement with these terms and accept this offer by signing and dating both the enclosed duplicate original of this letter agreement and the enclosed Proprietary Information and Inventions Agreement and returning them to me. This offer, if not accepted, will expire at the close of business on March 25, 2025. As required by law, your employment with the Company is contingent upon your providing legal proof of your identity and authorization to work in the United States. Your employment is also contingent upon your starting work with the Company on or before March 31, 2025 (such date, the "**Start Date**").

Very truly yours,

City Therapeutics Inc.

By: /s/ Andrew Orth
Andrew Orth, Chief Executive Officer

I have read and accept this employment offer:

/s/ Baisong Mei
Signature of Employee

Dated: March 21, 2025

Attachment

Exhibit A: Proprietary Information and Inventions Agreement

Exhibit 10.17

CITY THERAPEUTICS, INC.

May 8th , 2024

Tracy Zimmermann

Dear Tracy:

City Therapeutics, Inc. (the "Company") is pleased to offer you employment on the following terms:

1. **Position**. Your initial title will be Chief Scientific Officer, and you will initially report to the Company's President and Chief Executive Officer. This is a full-time position. While you render services to the Company, you will not engage in any other employment, consulting or other business activity (whether full-time or part-time) that would create a conflict of interest with the Company. By signing this letter agreement, you confirm to the Company that you have no contractual commitments or other legal obligations that would prohibit you from performing your duties for the Company.

2. **Cash Compensation**. The Company will pay you a starting salary at the rate of $480,000 per year, payable in accordance with the Company's standard payroll schedule. This salary will be subject to adjustment pursuant to the Company's employee compensation policies in effect from time to time. In addition, you will be eligible to be considered for an incentive bonus for each fiscal year of the Company. The bonus (if any) will be awarded based on objective or subjective criteria established by the Company's Chief Executive Officer and approved by the Company's Board of Directors. Your target bonus will be equal to 35% of your annual base salary. Any bonus for the fiscal year in which your employment begins will be prorated, based on the number of days you are employed by the Company during that fiscal year. Any bonus for a fiscal year will be paid within 2½ months after the close of that fiscal year, but only if you are still employed by the Company at the time of payment. The determinations of the Company's Board of Directors with respect to your bonus will be final and binding.

3. **Sign-On Bonus.** The Company will pay you a sign-on bonus of $80,000 (the "Sign-On Bonus"), less all applicable withholding and payroll taxes and other deductions required by law. The Sign-On Bonus shall be paid within thirty (30) days following the Start Date (as defined below); provided that, you are still employed by the Company at the time of such payment. If your employment is terminated within one (1) year of the Start Date for any reason other than an Involuntary Termination then you agree that you shall pay the Company one hundred percent (100%) of the Sign-On Bonus.

4. **Stock Options.** Subject to the approval of the Company's Board of Directors or its Compensation Committee, you will be awarded three option grants for a total of 408,891 shares of the Company's Common Stock (the "Options"), which together represent 1.5% of the fully diluted shares of the Company on a pro forma basis assuming the final expected closing of the sale and issuance by the Company of shares of Series A preferred stock pursuant to the Series A Preferred Stock Purchase Agreement of the Company dated as of April 17, 2024. One of the Options will represent 228,979 shares and be subject to time-based vesting (the "Time-Based Option"), a second one will represent 98,134 shares and be subject to performance-based vesting (the "First Performance-Based Option") and the third one will represent 81,778 shares and be subject to performance-based vesting (the "Second Performance-Based Option"). The exercise price per share of the Options will be determined by the Board of Directors or the Compensation Committee when the Option is granted. The Options will be subject to the terms and conditions applicable to options granted under the Company's 2023 Stock Plan (the "Plan"), as described in the Plan and the applicable Stock Option Agreements. You will vest in 25% of the shares subject to the Time-Based Option after 12 months of continuous service from your start date with the Company, and the balance will vest in equal monthly installments over the next 36 months of continuous service, as described in the applicable Stock Option Agreement. The shares subject to the First Performance-Based Option will vest immediately upon the Company's first approval of an investigational new drug application ("IND") or IND equivalent for any program under development, subject to your continuous service from your start date through the date of such approval and as described in the applicable Stock Option Agreement. The shares subject to the Second Performance-Based Option will vest immediately upon first human POC data. You will immediately vest in your remaining unvested Option shares if (a) the Company is subject to a Change in Control before your service with the Company terminates and (b) you are subject to an Involuntary Termination upon or within 12 months after that Change in Control.

5. **Employee Benefits**. As a regular employee of the Company, you will be eligible to participate in a number of Company-sponsored benefits available to other employees of the Company, subject to the terms and conditions of such benefit plans. In addition, you will be entitled to paid time-off in accordance with the Company's PTO policy, as in effect from time to time.

6. **Severance Benefits**. In the event you are subject to an Involuntary Termination, provided you satisfy the conditions described in Section 6(c) below, you will be entitled to the following benefits:

(a) **Salary Continuation**. The Company will continue to pay your base salary for a period of 9 months after your Separation. Your base salary will be paid at the rate in effect at the time of your Separation and in accordance with the Company's standard payroll procedures. The salary continuation payments will commence within 60 days after your Separation and, once they commence, will include any unpaid amounts accrued from the date of your Separation. However, if the 60-day period described in the preceding sentence spans two calendar years, then the payments will in any event begin in the second calendar year.

(b) **COBRA**. Provided you elect to continue your health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act ("**COBRA**") following your Separation, the Company will pay the same portion of your monthly premium under COBRA as it pays for active employees and their eligible dependents until the earliest of (i) the close of the 9- month period following your Separation, (ii) the expiration of your continuation coverage under COBRA or (iii) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment.

(c) **Conditions**. This Section 6 will not apply unless you (i) have returned all Company property in your possession, (ii) have resigned as an officer and member of the Boards of Directors of the Company and all of its subsidiaries, to the extent applicable, and (iii) have executed a general release of all claims that you may have against the Company or persons affiliated with the Company. The release must be in the form reasonably prescribed by the Company, without alterations. You must execute and return the release on or before the date specified by the Company in the prescribed form (the "**Release Deadline**"). The Release Deadline will in no event be later than 50 days after your Separation. If you fail to return the release on or before the Release Deadline, or if you revoke the release, then you will not be entitled to the benefits described in this Section 6.

7. **Proprietary Information and Inventions Agreement**. Like all Company employees, you will be required, as a condition of your employment with the Company, to sign the Company's standard Proprietary Information and Inventions Agreement, a copy of which is attached hereto as **Exhibit A**.

8. **Employment Relationship**. Employment with the Company is for no specific period of time. Your employment with the Company will be "at will," meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause. Any contrary representations that may have been made to you are superseded by this letter agreement. This is the full and complete agreement between you and the Company on this term. Although your job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, may change from time to time, the "at will" nature of your employment may only be changed in an express written agreement signed by you and a duly authorized officer of the Company (other than you).

9. **Tax Matters**.

(a) **Withholding**. All forms of compensation referred to in this letter agreement are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law.

(b) **Section 409A**. The payments and benefits provided for under this letter agreement are intended to be exempt from Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**"), and any ambiguity arising under this letter agreement shall be interpreted in a manner consistent with that intent. Nonetheless, to the extent any payment or benefit provided under this letter agreement is deemed to be nonqualified deferred compensation that is subject to Section 409A of the Code, and if the Company determines that you are a "specified employee" under Section 409A(a)(2)(B)(i) of the Code at the time of your Separation, then any such payment(s), to the extent they are subject to Section 409A of the Code, will be made or commence, as applicable, on the first business day following (i) expiration of the six-month period measured from your Separation or (ii) the date of your death, with any payment installments that otherwise would have been paid prior to such date paid in a lump sum at that time. In addition, for purposes of Section 409A of the Code, each salary continuation payment under Section 6(a) is hereby designated as a separate payment.

(c) **Tax Advice**. You are encouraged to obtain your own tax advice regarding your compensation from the Company. You agree that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities, and you will not make any claim against the Company or its Board of Directors related to tax liabilities arising from your compensation.

10. **Interpretation, Amendment and Enforcement**. This letter agreement and ExhibitA supersede and replace any prior agreements, representations or understandings (whether written, oral, implied or otherwise) between you and the Company and constitute the complete agreement between you and the Company regarding the subject matter set forth herein. This letter agreement may not be amended or modified, except by an express written agreement signed by both you and a duly authorized officer of the Company.

11. **Definitions**.

"**Cause**" means any of the following by you: (a) participation in or commission of any act that would constitute a felony or a crime involving fraud, dishonesty, or moral turpitude under the laws of the United States or any state thereof; (b) violation of any federal or state law or regulation applicable to the Company's business that could result in material harm to the company or its operations; (c) material violation of any agreement between you and the Company, any Company policy, or any statutory duty owed to the Company or its stockholders; (d) an act of gross misconduct or of clear and material insubordination; (e) commission or attempted commission of, or participation in, a fraud or act of dishonesty against the Company; or (f) any unauthorized act that results in material harm to the Company's business.

"**Change in Control**" means (a) the consummation of a merger or consolidation of the Company with or into another entity, (b) a sale of all or substantially all of the assets of the Company or (c) the dissolution, liquidation or winding up of the Company. The foregoing notwithstanding, a merger or consolidation of the Company does not constitute a "Change in Control" if immediately after the merger or consolidation a majority of the voting power of the capital stock of the continuing or surviving entity, or any direct or indirect parent corporation of the continuing or surviving entity, will be owned by the persons who were the Company's stockholders immediately prior to the merger or consolidation in substantially the same proportions as their ownership of the voting power of the Company's capital stock immediately prior to the merger or consolidation.

"**Involuntary Termination**" means either (a) your Termination Without Cause or (b) your Resignation for Good Reason.

"**Resignation for Good Reason**" means a Separation as a result of your resignation within 12 months after one of the following conditions has come into existence without your consent:

(a) A reduction of your base salary by 10% or more without your consent; or

(b) A material diminution of your authority, duties or responsibilities;

A Resignation for Good Reason will not be deemed to have occurred unless you give the Company written notice of the condition within 90 days after the condition comes into existence and the Company fails to remedy the condition within 30 days after receiving your written notice.

"**Separation**" means a "separation from service," as defined in the regulations under Section 409A of the Code.

"**Termination Without Cause**" means a Separation as a result of a termination of your employment by the Company without Cause, provided you are willing and able to continue performing services within the meaning of Treasury Regulation 1.409A-1(n)(1).

* * * * *

We hope that you will accept our offer to join the Company. You may indicate your agreement with these terms and accept this offer by signing and dating both the enclosed duplicate original of this letter agreement and the enclosed Proprietary Information and Inventions Agreement and returning them to me. This offer, if not accepted, will expire at the close of business on May 13th, 2024. As required by law, your employment with the Company is contingent upon your providing legal proof of your identity and authorization to work in the United States. Your employment is also contingent upon your starting work with the Company on or before June 3rd, 2024 (such date, the "Start Date").

Very truly yours,

City Therapeutics Inc.

By: /s/ Ari Nowacek
Title: President

I have read and accept this employment offer:

/s/ Tracy Zimmermann
Signature of Employee

Dated: May 13, 2024

Attachment

Exhibit A: Proprietary Information and Inventions Agreement

Exhibit 10.18

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "**Lease**") is made this 19 day of December, 2023 (the "**Effective Date**"), between **ARE-MA REGION NO. 58, LLC**, a Delaware limited liability company ("**Landlord**"), and **CITY THERAPEUTICS, INC**., a Delaware corporation ("**Tenant**").

BASIC LEASE PROVISIONS

Address of Building:	399 Binney Street, Cambridge, Massachusetts
Premises:	Those portions of the Building in the Project consisting of (a) a portion of the first floor of the Building, commonly known as Suite 100, containing approximately 25,860 rentable square feet (the "**First Floor Premises**"), (b) a portion of the lower level floor of the Building, commonly known as Suite 001, containing approximately 4,640 rentable square feet (the "**Lower Level Premises**"), and (c) a portion of the penthouse floor of the Building, commonly known as Room 400 (the "**Penthouse Premises**"), containing approximately 690 rentable square feet of mechanical space, all as determined by Landlord, all as shown on **Exhibit A**.
Building:	The building in the Project currently known and numbered as 399 Binney Street, Cambridge, Massachusetts, and located on the real property owned by Landlord and described on **Exhibit B** (the "**Property**").
Project:	The project commonly known as One Kendall Square, located on the Property and property owned by affiliates of Landlord and operated as a single mixed-use complex.
Base Rent:	Initially, $112.00 per rentable square foot of the Premises per year, subject to adjustment pursuant to Section 4 hereof.
Rentable Area of Premises:	31,190 sq. ft.
Rentable Area of Building:	165,398 sq. ft.
Rentable Area of Project:	815,501 sq. ft.
Tenant's Share of Operating Expenses of Building:	18.86%
Building's Share of Operating Expenses of Project:	20.28%
Security Deposit:	$1,455,533.33
Rent Adjustment Percentage:	3%
Base Term:	Beginning on the Commencement Date and ending 63 months from the first day of the first full month following the Commencement Date. For clarity, if the Commencement Date occurs on the first day of a month, the expiration of the Base Term shall be measured from that date. If the Commencement Date occurs on a day other than the first day of a month, the expiration of the Base Term shall be measured from the first day of the following month.
Permitted Use:	Research and development laboratory, pilot manufacturing, general office and other related uses consistent with the character of the Project and otherwise in compliance with the provisions of Section 7 hereof.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

Address for Rent Payment:
To be provided
Prior to Commencement Date

Landlord's Notice Address:
26 North Euclid Avenue
Pasadena, CA 91101
Attention: Corporate Secretary
Email: legalnotice@are.com

Tenant's Notice Address
Prior to Commencement Date:
188 E. Blaine Street, Suite 125
Seattle, WA 98102-3983
Attention: Chief Operating Officer
Email: [***]

Tenant's Notice Address
After Commencement Date:
399 Binney Street, Suite 100
Cambridge, MA 02139
Attention: Chief Operating Officer
Email: [***]

The following Exhibits and Addenda are attached hereto and incorporated herein by this reference:

☒ **EXHIBIT A** – PREMISES DESCRIPTION
☒ **EXHIBIT B** – DESCRIPTION OF PROJECT
☒ **EXHIBIT C** – WORK LETTER
☒ **EXHIBIT D** – COMMENCEMENT DATE
☒ **EXHIBIT E** – RULES AND REGULATIONS
☒ **EXHIBIT F** – TENANT'S PERSONAL PROPERTY
☒ **EXHIBIT G** – LANDLORD'S EQUIPMENT
☒ **EXHIBIT H** – CONTROL AREAS
☒ **EXHIBIT I** – BILL OF SALE

1. **Lease of Premises**. Upon and subject to all of the terms and conditions hereof, Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord. The portions of the Project that are for the non-exclusive use of tenants of the Project are collectively referred to herein as the "**Common Areas**." The Common Areas shall include, without limitation, any amenities now or hereafter located in, on or otherwise serving the Project, if any, as may exist from time to time (as determined by Landlord, in Landlord's sole and absolute discretion) and made available, except for temporary interruptions and/or Force Majeure (as defined in Section 34), for use by Tenant and one or more other tenants of the Project and/or third parties (each, a "**Project Amenity**" and collectively, the "**Project Amenities**"), which Project Amenities may include a scientific amenity center. Landlord reserves the right to modify Common Areas, provided that such modifications do not materially adversely affect Tenant's use of the Premises for the Permitted Use. From and after the Commencement Date through the expiration of the Term, Tenant shall have access to the Building and the Premises and the loading dock and freight elevator located in the Building, 24 hours a day, 7 days a week, except in the case of emergencies, as the result of Legal Requirements, the performance by Landlord of any installation, maintenance or repairs for which Landlord is responsible under this Lease, and otherwise subject to the terms of this Lease.

2. **Delivery; Acceptance of Premises; Commencement Date**. So long as Tenant has delivered the Letter of Credit required pursuant to Section 6 and a certificate of insurance reflecting the insurance coverage required to be maintained by Tenant under Section 17, the "**Commencement Date**" shall be the date that is 1 business day after the mutual execution and delivery of this Lease by Landlord and Tenant. Upon request of Landlord, Tenant shall execute and deliver a written acknowledgment of the Commencement Date, and the expiration date of the Term when such are established in the form of the "Acknowledgement of Commencement Date" attached to this Lease as **Exhibit D**; provided, however, Tenant's failure to execute and deliver such acknowledgment shall not affect Landlord's rights hereunder. The "**Term**" of this Lease shall be the Base Term, as defined in the Basic Lease Provisions and the Extension Term which Tenant may elect pursuant to Section 4 hereof.

Following the Commencement Date, Landlord shall perform certain improvements in the Premises requested by Tenant and approved by Landlord pursuant to the Work Letter attached hereto as **Exhibit C** (the "**Tenant Improvements**"). Tenant acknowledges that Landlord shall require access to portions of the Premises after the Commencement Date in order to construct the Tenant Improvements. Landlord and its contractors and agents shall have the right to enter the Premises to complete the Tenant Improvements, and Tenant shall cooperate with Landlord in connection with the same. Such access to construct the Tenant Improvements shall be pursuant to a mutually agreeable schedule. Tenant acknowledges that Landlord's completion of the Tenant Improvements may temporarily adversely affect Tenant's use and occupancy of the Premises. Landlord shall use commercially reasonable efforts to minimize interference with Tenant's use of the Premises for the Permitted Use in connection with its performance of the Tenant Improvements. Tenant waives all claims against Landlord for rent abatement in connection with the Tenant Improvements. Tenant shall have no right to seek damages (including abatement of Base Rent) or to cancel or terminate this Lease because of the Tenant Improvements.

ALEXANDRIA.
Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

During the Term, Tenant shall have the right to use the office furniture, lab benches, casework and lab equipment identified on **Exhibit G** attached hereto ("**Landlord's FF&E**"). Prior to the Commencement Date, Tenant shall notify Landlord in writing if there is any Landlord's FF&E that Tenant does not want to use during the Term. Landlord, at its sole cost and expense, agrees to remove of any unwanted Landlord's FF&E from the Premises within 30 days after the Commencement Date. Tenant shall have no right to remove any of Landlord's FF&E from the Premises, and Landlord's FF&E which will remain in the Premises shall be returned to Landlord at the expiration or earlier termination of the Term in substantially the same condition as received by Tenant, except for ordinary wear and tear and casualty.

Concurrent with the mutual execution and delivery of this Lease by the parties, Landlord shall execute a bill of sale in the form attached to this Lease as **Exhibit I** ("**Bill of Sale**") transferring the laboratory equipment listed on Schedule 1 to the Bill of Sale (the "**Transferred Lab Equipment**") to Tenant as of the Commencement Date in consideration for $1.00. To the extent that there remain any existing warranties with respect to the Transferred Lab Equipment, Landlord shall use commercially reasonably efforts to transfer such existing warranties to Tenant. Tenant shall be responsible for the repair and maintenance of the Transferred Lab Equipment and Tenant shall be responsible for removing the Transferred Lab Equipment from the Premises at the expiration or earlier termination of the Term in accordance with the terms of Section 28.

Except as set forth in the Work Letter (including, without limitation, Section 3(b) of the Work Letter) and as otherwise expressly set forth in this Lease (including, without limitation, the provisions of the immediately succeeding paragraph): (i) Tenant shall accept the Premises in their condition as of the Commencement Date; (ii) Landlord shall have no obligation for any defects in the Premises; and (iii) Tenant's taking possession of the Premises shall be conclusive evidence that Tenant accepts the Premises and that the Premises were in good condition at the time possession was taken. Any occupancy of the Premises by Tenant before the Commencement Date shall be subject to all of the terms and conditions of this Lease, including the obligation to pay Base Rent and Operating Expenses.

Landlord shall, at its sole cost and expense (which shall not constitute an Operating Expense), be responsible for any repairs that are required to be made to the Building Systems (as defined in Section 13) serving the Premises of which Tenant notifies Landlord in writing within 60 calendar days after the Commencement Date, unless Tenant or any Tenant Party was responsible for the cause of such repair, in which case Tenant shall pay the cost.

Tenant agrees and acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of all or any portion of the Premises or the Project, and/or the suitability of the Premises or the Project for the conduct of Tenant's business, and Tenant waives any implied warranty that the Premises or the Project are suitable for the Permitted Use. This Lease constitutes the complete agreement of Landlord and Tenant with respect to the subject matter hereof and supersedes any and all prior representations, inducements, promises, agreements, understandings and negotiations that are not contained herein. Landlord in executing this Lease does so in reliance upon Tenant's representations, warranties, acknowledgments and agreements contained herein.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

3. **Rent**.

(a) **Base Rent**. Base Rent for the month in which Commencement Date occurs (or, if the Commencement Date does not occur on the first day of a calendar month, Base Rent for the first full calendar month following the Commencement Date) and the Security Deposit shall be due and payable concurrently with Tenant's delivery of an executed copy of this Lease to Landlord. Tenant shall pay to Landlord (or to such other party as Landlord may from time to time specify in writing) in advance, without demand, abatement, deduction or set-off (except as otherwise expressly set forth in this Lease), monthly installments of Base Rent on or before the first day of each calendar month during the Term hereof after the Commencement Date, in lawful money of the United States of America, to the physical address designated by Landlord or by federally insured electronic fund transfer ("**EFT**") via wire transfer, Society for Worldwide Interbank Financial Communications (SWIFT) or automated clearing house (ACH) pursuant to the instructions provided by Landlord. Payments of Base Rent for any fractional calendar month shall be prorated. The obligation of Tenant to pay Base Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations. Tenant shall have no right at any time to abate, reduce, or set-off any Rent (as defined in Section 5) due hereunder except for any abatement as may be expressly provided in this Lease.

Notwithstanding anything contained herein to the contrary, so long as Tenant is not in Default pursuant to the provisions of Section 20 hereof, Base Rent shall be abated for the months of January, February and March 2024 (the "**Abatement Period**"). For the avoidance of doubt, Tenant shall be required to pay Operating Expenses and all other amounts payable under the Lease during the Abatement Period.

(b) **Additional Rent**. In addition to Base Rent, Tenant agrees to pay to Landlord as additional rent ("**Additional Rent**"): (i) commencing on the Commencement Date, Tenant's Share of "Operating Expenses" (as defined in Section 5), and (ii) any and all other amounts Tenant assumes or agrees to pay under the provisions of this Lease, including, without limitation, any and all other sums that may become due by reason of any default of Tenant or failure to comply with the agreements, terms, covenants and conditions of this Lease to be performed by Tenant, after any applicable notice and cure period. Tenant shall pay to Landlord (or to such other party as Landlord may from time to time specify in writing) any and all Additional Rent to the physical address designated by Landlord for the payment of Base Rent or by federally insured EFT via wire, SWIFT or ACH pursuant to the instructions provided by Landlord.

4. **Base Rent Adjustments**. Base Rent shall be increased on each annual anniversary of the Commencement Date (provided, however, that if the Commencement Date occurs on a day other than the first day of a calendar month, then Base Rent shall be increased on each annual anniversary of the first day of the first full calendar month immediately following the Commencement Date) (each an "**Adjustment Date**") by multiplying the Base Rent payable immediately before such Adjustment Date by the Rent Adjustment Percentage and adding the resulting amount to the Base Rent payable immediately before such Adjustment Date. Base Rent, as so adjusted, shall thereafter be due as provided herein. Base Rent adjustments for any fractional calendar month shall be prorated.

5. **Operating Expense Payments**. Landlord shall deliver to Tenant a written estimate of Operating Expenses for each calendar year during the Term (the "**Annual Estimate**"), which may be revised by Landlord from time to time during such calendar year. Commencing on the Commencement Date, and continuing thereafter on the first day of each month during the Term, Tenant shall pay Landlord an amount equal to 1/12th of Tenant's Share of the Annual Estimate. Payments for any fractional calendar month shall be prorated.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

The term "**Operating Expenses**" means all costs and expenses of any kind or description whatsoever incurred or accrued each calendar year by Landlord with respect to the Building (including the Building's Share of all costs and expenses of any kind or description incurred or accrued by Landlord with respect to the Project which are not specific to the Building) including, without limitation, (i) Taxes (as defined in Section 9), (ii) the cost of upgrades to the Building or Project or enhanced services provided at the Building and/or Project which are intended to encourage social distancing, promote and protect health and physical well-being and/or intended to limit the spread of Infectious Conditions (as defined in Section 26), (iii) the cost of the Project Amenities (including, without limitation, reimbursement by Landlord to affiliates of Landlord for market rent paid by such affiliates to Landlord for Project Amenities space, commercially reasonable reduced rent, commercially reasonable subsidies or other commercially reasonable concessions which Landlord may provide in connection with the Project Amenities), (iv) transportation services (including the Shuttle Service Costs (as defined in Section 43(p))), (v) the cost of repairs, improvements and replacements, provided that to the extent that such repairs, improvements and/or replacements are deemed by Landlord in accordance with sound real estate accounting principles to be capital in nature (each, a "**Capital Expenditure**"), such costs shall be amortized over the lesser of 10 years and the useful life of such Capital Expenditure, and (vi) the costs of Landlord's third party property manager or, if there is no third party property manager, administration rent in the amount of 3% of Base Rent (provided that during the Abatement Period and the Additional Abatement Period, Tenant shall nonetheless be required to pay administration rent each month equal to the amount of the administration rent that Tenant would have been required to pay in the absence of there being an Abatement Period), excluding only:

(a) the original construction costs of the Project and renovation prior to the Commencement Date and costs of correcting defects in such original construction or renovation;

(b) capital expenditures for expansion of the Project;

(c) interest and principal payments paid to the Holder of a Mortgage (as defined in Section 27), debts of Landlord, financing costs and amortization of funds borrowed by Landlord, whether secured or unsecured and all payments of base rent (but not taxes or operating expenses) under any ground lease or other underlying lease of all or any portion of the Project;

(d) depreciation of the Project (except for capital improvements, the cost of which are includable in Operating Expenses);

(e) marketing, advertising, legal and space planning expenses and leasing commissions and other costs and expenses incurred in procuring and leasing space to tenants for the Project, including any leasing office maintained in the Project, free rent and construction allowances for tenants;

(f) legal and other expenses incurred in the negotiation or enforcement of leases;

(g) costs (including permit, license and inspection fees) incurred in completing, fixturing, improving, renovating, painting, redecorating or other work, which Landlord pays for or performs for other tenants within their premises, and costs of correcting defects in such work;

(h) costs to be reimbursed by other tenants of the Project or Taxes to be paid directly by Tenant or other tenants of the Project, whether or not actually paid;

(i) salaries, wages, benefits and other compensation paid to officers and employees of Landlord who are not assigned in whole or in part to the operation, management, maintenance or repair of the Project;

(j) costs incurred for off-site offices or facilities maintained in connection with the management, operation, engineering, Utility and/or security services provided to the Project and other properties owned by Landlord or affiliates of Landlord, in excess of the Project's share of such costs as proportionately allocated among the Project and such other properties owned by Landlord or affiliates of Landlord;

(k) general organizational, administrative and overhead costs relating to maintaining Landlord's existence, either as a corporation, partnership, or other entity, including general corporate, legal (including "in-house" legal) and accounting expenses;

(l) costs (including attorneys' fees and costs of settlement, judgments and payments in lieu thereof) incurred in connection with disputes with tenants, other occupants, or prospective tenants, and costs and expenses, including legal fees, incurred in connection with negotiations or disputes with employees, consultants, management agents, leasing agents, purchasers or mortgagees of the Building;

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

(m) costs incurred by Landlord due to the violation by Landlord, its employees, agents or contractors or any tenant of the terms and conditions of any lease of space in the Project or any Legal Requirement (as defined in Section 7);

(n) penalties, fines or interest incurred as a result of Landlord's inability or failure to make payment of Taxes and/or to file any tax or informational returns when due, or from Landlord's failure to make any payment of Taxes required to be made by Landlord hereunder before delinquency;

(o) overhead and profit increment paid to Landlord or to subsidiaries or affiliates of Landlord for goods and/or services in or to the Project to the extent the same exceeds the costs of such goods and/or services rendered by unaffiliated third parties on a competitive basis;

(p) costs of Landlord's charitable or political contributions, or of fine art maintained at the Project;

(q) costs in connection with services (including electricity), items or other benefits of a type which are not standard for the Project and which are not available to Tenant without specific charges therefor, but which are provided to another tenant or occupant of the Project, whether or not such other tenant or occupant is specifically charged therefor by Landlord;

(r) costs incurred in the sale or refinancing of the Project;

(s) net income taxes of Landlord or the owner of any interest in the Project (except to the extent such net income taxes are in substitution for any Taxes payable hereunder), franchise, capital stock, gift, estate or inheritance taxes or any federal, state or local documentary taxes imposed against the Project or any portion thereof or interest therein;

(t) any expenses otherwise includable within Operating Expenses to the extent actually reimbursed by persons other than tenants of the Project under leases for space in the Project;

(u) costs, fines or penalties resulting from the gross negligence or willful misconduct of Landlord;

(v) cost of repairs or other work necessitated by fire, windstorm or other similar casualty (except for insurance deductibles);

(w) costs or expenses occasioned by a Taking (as defined in Section 19) that are recovered by Landlord in any condemnation awards;

(x) Operating Expense reserves (other than reserves for Taxes for the then-current year); and

(y) any costs incurred to remove, study, test or remediate any Hazardous Materials (as defined in Section 30) in or about the Building or the Project for which Tenant is not responsible under this Lease.

Landlord shall not be entitled to collect Operating Expenses from the tenants of the Project in excess of 100% of the total Operating Expenses actually incurred or accrued by Landlord.

In addition, notwithstanding anything to the contrary contained in this Lease, Operating Expenses incurred or accrued by Landlord with respect to any capital improvements that are reasonably expected by Landlord to reduce overall Operating Expenses (for example, without limitation, by reducing energy usage at the Project) (the "**Energy Savings Costs**") shall be amortized over a period of years equal to the least of (A) 10 years, (B) the useful life of such capital items, and (C) the quotient of (i) the Energy Savings Costs, divided by (ii) the annual amount of Operating Expenses reasonably expected by Landlord to be saved as a result of such capital improvements.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

Within 90 days after the end of each calendar year (or such longer period as may be reasonably required), Landlord shall furnish to Tenant a statement (an "**Annual Statement**") showing in reasonable detail: (a) the total and Tenant's Share of actual Operating Expenses for the previous calendar year, and (b) the total of Tenant's payments in respect of Operating Expenses for such year. If Tenant's Share of actual Operating Expenses for such year exceeds Tenant's payments of Operating Expenses for such year, the excess shall be due and payable by Tenant as Additional Rent within 30 days after delivery of such Annual Statement to Tenant. If Tenant's payments of Operating Expenses for such year exceed Tenant's Share of actual Operating Expenses for such year Landlord shall pay the excess to Tenant within 30 days after delivery of such Annual Statement, except that after the expiration, or earlier termination of the Term or if Tenant is delinquent in its obligation to pay Rent, Landlord shall pay the excess to Tenant after deducting all other amounts due Landlord. Landlord's and Tenant's obligations to pay any overpayments or deficiencies due pursuant to this paragraph shall survive the expiration or earlier termination of this Lease.

The Annual Statement shall be final and binding upon Tenant unless Tenant, within 60 days after Tenant's receipt thereof, notifies Landlord in writing that Tenant desires to examine Landlord's records relating to Tenant's Share of Operating Expenses set forth in the Annual Statement. If Tenant so notifies Landlord of such election to examine Landlord's records, then, within 30 days following Landlord's receipt of notice from Tenant, Landlord will provide Tenant with access to Landlord's books and records (which may be provided in an electronic format or through a file sharing stile to which Landlord shall give Tenant access) relating to the operation of the Project for the calendar year reflected in such Annual Statement (the "**Expense Information**"). Thereafter, the Annual Statement shall be final and binding on Tenant unless Tenant, within 60 days after Landlord's delivery to Tenant of the Expense Information, delivers written notice to Landlord that Tenant reasonably and in good faith questions or contests the accuracy of the Annual Statement (a "**Contest Notice**"). Tenant's Contest Notice shall identify the items in the Annual Statement being contested by Tenant. If Landlord and Tenant cannot thereafter agree upon the amount of Tenant's Share of Operating Expenses, then Tenant shall have the right, to be commenced within 60 days after Tenant's delivery of a Contest Notice to Landlord, to have a regionally or nationally recognized independent public accounting firm selected by Tenant, working pursuant to a fee arrangement other than a contingent fee (at Tenant's sole cost and expense) and approved by Landlord (which approval shall not be unreasonably withheld or delayed), audit and/or review the Expense Information for the year in question (the "**Independent Review**"). The results of any such Independent Review shall be binding on Landlord and Tenant. If the Independent Review shows that the payments actually made by Tenant with respect to Operating Expenses for the calendar year in question exceeded Tenant's Share of Operating Expenses for such calendar year, Landlord shall at Landlord's option either (i) credit the excess amount to the next succeeding installments of estimated Operating Expenses or (ii) pay the excess to Tenant within 30 days after delivery of such statement, except that after the expiration or earlier termination of this Lease or if Tenant is delinquent in its obligation to pay Rent, Landlord shall pay the excess to Tenant after deducting all other amounts due Landlord. If the Independent Review shows that Tenant's payments with respect to Operating Expenses for such calendar year were less than Tenant's Share of Operating Expenses for the calendar year, Tenant shall pay the deficiency to Landlord within 30 days after delivery of such statement. If the Independent Review shows that Tenant has overpaid with respect to Operating Expenses by more than 5% then Landlord shall reimburse Tenant for all costs incurred by Tenant for the Independent Review. Operating Expenses for the calendar years in which Tenant's obligation to share therein begins and ends shall be prorated.

Notwithstanding anything set forth herein to the contrary, if the Building is not at least 95% occupied on average during any year of the Term, Tenant's Share of Operating Expenses for such year with respect to Variable Operating Expenses shall be computed as though the Building had been 95% occupied on average during such year. "**Variable Operating Expenses**" shall mean those Operating Expenses which vary by occupancy including, without limitation, electricity, trash removal and other Utilities (as defined in Section 11).

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

"**Tenant's Share**" shall be the percentage set forth on the first page of this Lease as "**Tenant's Share of Operating Expenses of Building**," and "**Building's Share**" shall be the percentage set forth on the first page of this Lease as "**Building's Share of Operating Expenses of Project**," each as may be reasonably adjusted by Landlord for changes in the physical size of the Premises, Building and/or Project occurring thereafter. Landlord may equitably increase Tenant's Share for any Operating Expenses that relate to any item of expense or cost (1) equitably and reasonably allocated only to the Premises or the Building, (2) equitably and reasonably allocated to only a portion of the Building or Project that includes the Premises, or (3) a greater proportion of which is equitably and reasonably allocated to the Premises, or a portion of the Building or Project that includes the Premises, as reasonably determined by Landlord. Landlord may equitably increase the Building's Share for any Operating Expenses that relate to any items of expense or cost (A) equitably and reasonably allocated to only the Building or a portion of the Project that includes the Building, or (B) a greater proportion of which is equitably and reasonably allocated to the Building or a portion of the Project that includes the Building, as reasonably determined by Landlord. Base Rent, Tenant's Share of Operating Expenses and all other amounts payable by Tenant to Landlord hereunder are collectively referred to herein as "**Rent**."

6. **Security Deposit**. Concurrently with Tenant's delivery of an executed copy of this Lease to Landlord, Tenant shall deliver to Landlord a security deposit (the "**Security Deposit**") for the performance of all of Tenant's obligations hereunder in the Security Deposit Amount set forth in the Basic Lease Provisions, which Security Deposit shall be in the form of an unconditional and irrevocable letter of credit (the "**Letter of Credit**"): (i) in form and substance reasonably satisfactory to Landlord, (ii) naming Landlord as beneficiary, (iii) expressly allowing Landlord to draw upon it up to the face amount thereof at any time from time to time by delivering to the issuer notice that Landlord is entitled to draw thereunder, (iv) issued by an FDIC-insured financial institution reasonably satisfactory to Landlord, and (v) redeemable by presentation of a sight draft in either the Commonwealth of Massachusetts or the State of California. The Security Deposit shall be held by Landlord as security for the performance of Tenant's obligations under this Lease. The Security Deposit is not an advance rental deposit or a measure of Landlord's damages in case of Tenant's default. Upon each occurrence of a Default (as defined in Section 20), Landlord may use all or any part of the Security Deposit to pay delinquent payments due under this Lease, future rent damages, and the cost of any damage, injury, expense or liability caused by such Default, without prejudice to any other remedy provided herein or provided by law. Landlord's right to use the Security Deposit under this Section 6 includes the right to use the Security Deposit to pay future rent damages following the termination of this Lease pursuant to Section 21(c) below. Upon any draw down on the Letter of Credit pursuant to this paragraph, Tenant shall deliver to Landlord, within 5 days after written demand from Landlord, a new Letter of Credit complying with all of the requirements hereof (a "**Replacement Letter of Credit**") for the full Security Deposit Amount set forth in the Basic Lease Provisions. Tenant hereby waives the provisions of any law, now or hereafter in force, including, without limitation, California Civil Code Section 1950.7, which provide that Landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of Rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums reasonably necessary to compensate Landlord for any other loss or damage, foreseeable or unforeseeable, caused by the act or omission of Tenant or any officer, employee, agent or invitee of Tenant. Landlord's obligation respecting the Security Deposit is that of a debtor, not a trustee, and no interest shall accrue thereon. Upon bankruptcy or other debtor-creditor proceedings against Tenant, the Security Deposit shall be deemed to be applied first to the payment of Rent and other charges due Landlord for periods prior to the filing of such proceedings. If Tenant shall fully perform every provision of this Lease to be performed by Tenant, the Security Deposit, or any balance thereof (i.e., after deducting therefrom all amounts to which Landlord is entitled under the provisions of this Lease), shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interest hereunder) within 90 days after the expiration or earlier termination of this Lease.

Tenant shall deliver a Replacement Letter of Credit to Landlord at least 30 days before the stated expiration date of any then current Letter of Credit for the full Security Deposit Amount set forth in the Basic Lease Provisions. If Tenant does not provide Landlord with a Replacement Letter of Credit as required pursuant to the immediately preceding sentence, Landlord shall have the right to draw the full amount of the current Letter of Credit and hold the funds drawn in cash without obligation for interest thereon as the Security Deposit until Tenant delivers a Replacement Letter of Credit to Landlord, at which time Landlord shall refund the amount of the previously drawn Letter of Credit less any amount applied under this Lease.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

If at any time during the Term the issuer of the Letter of Credit is declared insolvent or is placed into receivership by the FDIC or any other Governmental Authority, or if the issuer is downgraded by S&P/Moody's (if the issuer is credit-rated) or the issuer's 5-year Credit Default Swap spread (as quoted, and if available on Bloomberg Professional Services) goes above 250 bps at any point during the Term, then following the delivery of written notice from Landlord to Tenant, (x) Landlord shall have the right to immediately draw the full amount of the existing Letter of Credit and hold the funds drawn in cash without obligation for interest thereon as the Security Deposit, and (y) Tenant shall have 30 days to deliver a Replacement Letter of Credit to Landlord. If Landlord is unable to draw on the existing Letter of Credit as provide for in clause (x) above then, within 3 days after Landlord's delivery of written request to Tenant, Tenant shall deliver to Landlord cash in the Security Deposit Amount as an interim Security Deposit until Tenant delivers a Replacement Letter of Credit to Landlord. Upon Tenant's delivery of a Replacement Letter of Credit to Landlord, Landlord shall refund to Tenant the amount of the cash Security Deposit to Tenant less any amount applied under this Lease.

If Landlord transfers its interest in the Project or this Lease, Landlord shall transfer any Security Deposit then held by Landlord to such transferee of Landlord's interest. Upon such transfer, Landlord shall have no further obligation with respect to the Security Deposit, and Tenant's right to the return of the Security Deposit shall apply solely against Landlord's transferee.

7. **Use**.

(a) **Generally**. The Premises shall be used solely for the Permitted Use set forth in the Basic Lease Provisions, and in compliance with all laws, orders, judgments, ordinances, regulations, codes, directives, permits, licenses, covenants and restrictions now or hereafter applicable to the Premises, and to the use and occupancy thereof, including, without limitation, the Americans With Disabilities Act, 42 U.S.C. § 12101, et seq. (together with the regulations promulgated pursuant thereto, "**ADA**") (collectively, "**Legal Requirements**" and each, a "**Legal Requirement**"). Tenant shall, upon 5 days' written notice from Landlord, discontinue any use of the Premises that is declared by any Governmental Authority (as defined in Section 9) having jurisdiction to be a violation of a Legal Requirement. Tenant will not use or permit the Premises to be used for any purpose or in any manner that would void Tenant's or Landlord's insurance, increase the insurance risk, or cause the disallowance of any sprinkler or other credits. Tenant shall not permit any part of the Premises to be used as a "place of public accommodation", as defined in the ADA or any similar legal requirement. Tenant shall reimburse Landlord promptly upon demand for any additional premium charged for any such insurance policy by reason of Tenant's failure to comply with the provisions of this Section or otherwise caused by Tenant's use and/or occupancy of the Premises. Tenant will use the Premises in a careful, safe and proper manner and will not commit or permit waste, overload the floor or structure of the Premises, subject the Premises to use that would damage the Premises or obstruct or interfere with the rights of Landlord or other tenants or occupants of the Project, including conducting or giving notice of any auction, liquidation, or going out of business sale on the Premises, or using or allowing the Premises to be used for any unlawful purpose. Tenant shall cause any equipment or machinery to be installed in the Premises so as to reasonably prevent sounds or vibrations from the Premises from extending into Common Areas, or other space in the Project. Tenant shall not place any machinery or equipment which would overload the floor in or upon the Premises or transport or move such items through the Common Areas of the Project or in the Project elevators without the prior written consent of Landlord. Except as may be provided under the Work Letter, Tenant shall not, without the prior written consent of Landlord, use the Premises in any manner that will require ventilation, air exchange, heating, gas, steam, electricity or water beyond the existing capacity of the Project as proportionately allocated to the Premises based upon Tenant's Share as usually furnished for the Permitted Use. Tenant acknowledges that Landlord's business operations are proprietary to Landlord. Absent prior written consent from Landlord, Tenant shall hold confidential and will not disclose to third parties, and shall require Tenant Parties to hold confidential and not disclose to third parties, information concerning Landlord's business operations, including but not limited to information regarding the systems, controls, equipment, programming, vendors, tenants, and specialized amenities of Landlord.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

(b) **Compliance**. Landlord shall be responsible for the compliance of the Common Areas of the Project with Legal Requirements (including the ADA) as of the Commencement Date. Commencing on the Commencement Date, Landlord shall, as an Operating Expense (to the extent such Legal Requirement is generally applicable to similar buildings in the area in which the Project is located) or at Tenant's expense (to the extent such Legal Requirement is triggered by reason of Tenant's, as compared to other tenants of the Project, particular use of the Premises or Tenant's Alterations) make any alterations or modifications to the Common Areas or the exterior of the Building that are required by Legal Requirements. Except as otherwise expressly provided in the 2 immediately preceding sentences, Tenant, at its sole expense, shall make any alterations or modifications to the interior of the Premises that are required by Legal Requirements (including, without limitation, compliance of the Premises with the ADA) related to Tenant's use or occupancy of the Premises. Notwithstanding any other provision herein to the contrary, Tenant shall be responsible for any and all Claims (as defined in Section 16) arising out of or in connection with Legal Requirements, and Tenant shall indemnify, defend, hold and save Landlord harmless from and against any and all Claims arising out of or in connection with any failure of the Premises to comply with any Legal Requirement.

(c) **Sustainability**. Tenant acknowledges that Landlord may, but shall not be obligated to, seek to obtain Leadership in Energy and Environmental Design (LEED), WELL Building Standard, or other similar "green" certification with respect to the Project and/or the Premises, and Tenant agrees to reasonably cooperate with Landlord, and to provide such information and/or documentation as Landlord may reasonably request, in connection therewith.

(d) **AUL**. The property known as One Kendall Square, which includes the Premises, is subject to the following Notices of Activity and Use Limitation ("**AUL**"): The AUL recorded on February 12, 2021 with the South Middlesex Registry Of Deeds in Book 76959, Page 254; and (ii) the AUL recorded on May 8, 2023 with the South Middlesex Registry District of the Land Court as Document Number 1936716. Both AULs are incorporated herein in full by reference. Tenant confirms receipt of a copy of both AULs.

8. **Holding Over**. If Tenant remains in possession of the Premises after the expiration or earlier termination of the Term without the express written consent of Landlord, (A) Tenant shall become a tenant at sufferance upon the terms of this Lease except that the monthly rental shall (i) for the first 60 days of such holdover, be equal to 150% of Base Rent in effect during the last 30 days of the Term, plus Tenant's Share of Operating Expenses and all other amounts payable by Tenant under this Lease, and (ii) for any period of holdover in excess of 60 days, be equal to 200% of Base Rent in effect during the last 30 days of the Term, plus Tenant's Share of Operating Expenses and all other amounts payable by Tenant under this Lease, and (B) if Tenant holds over for a period in excess of 60 days, Tenant shall be responsible for all damages suffered by Landlord resulting from or occasioned by Tenant's holding over, including consequential damages. No holding over by Tenant, whether with or without consent of Landlord, shall operate to extend this Lease except as otherwise expressly provided, and this Section 8 shall not be construed as consent for Tenant to retain possession of the Premises. Acceptance by Landlord of Rent after the expiration of the Term or earlier termination of this Lease shall not result in a renewal or reinstatement of this Lease.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

9. **Taxes**. Landlord shall pay, as part of Operating Expenses, all taxes, levies, fees, assessments and governmental charges of any kind, existing as of the Commencement Date or thereafter enacted relating to the Project, Building and/or Premises (collectively referred to as "**Taxes**"), imposed by any federal, state, regional, municipal, local or other governmental authority or agency, including, without limitation, quasi-public agencies (collectively, "**Governmental Authority**") during the Term, including, without limitation, all Taxes: (i) imposed on or measured by or based, in whole or in part, on rent payable to (or gross receipts received by) Landlord under this Lease and/or from the rental by Landlord of the Building, the Property or the Project or any portion thereof, or (ii) based on the square footage, assessed value or other measure or evaluation of any kind of the Building, the Property or the Project, or (iii) assessed or imposed by or on the operation or maintenance of any portion of the Building, the Property or the Project, including parking, or (iv) assessed or imposed by, or at the direction of, or resulting from Legal Requirements, or interpretations thereof, promulgated by any Governmental Authority, or (v) imposed as a license or other fee, charge, tax, or assessment on Landlord's business or occupation of leasing space in the Building, the Property or the Project. Landlord may contest by appropriate legal proceedings the amount, validity, or application of any Taxes or liens securing Taxes. Taxes shall not include any net income taxes imposed on Landlord except to the extent such net income taxes are in substitution for any Taxes payable hereunder. If Landlord secures an abatement or refund of Taxes for the Project, to the extent that Tenant paid Tenant's Share of Taxes for the period with respect to which such abatement or refund applies, Tenant shall receive Tenant's Share of such abatement or refund (i.e., the net amount after paying all reasonable costs and expenses of securing the abatement or refund, including reasonably attorneys' fees) as a credit to be applied by Landlord against Operating Expenses next coming due (or, if no further Operating Expenses are due from Tenant under this Lease, and Tenant is not in Default under this Lease, a cash payment to Tenant). If any such Tax is levied or assessed directly against Tenant, then Tenant shall be responsible for and shall pay the same at such times and in such manner as the taxing authority shall require. Operating Expenses hereunder shall also include the cost of tax monitoring services provided to Landlord with respect to the Building, Property or Project. Tenant shall pay, prior to delinquency, any and all Taxes levied or assessed against any personal property or trade fixtures placed by Tenant in the Premises, whether levied or assessed against Landlord or Tenant. If any Taxes on Tenant's personal property or trade fixtures are levied against Landlord or Landlord's property, or if the assessed valuation of the Building, the Property or the Project is increased by a value attributable to improvements in or alterations to the Premises, whether owned by Landlord or Tenant and regardless of whether affixed to the real property so as to become a part thereof, higher than the base valuation on which Landlord from time-to-time allocates Taxes to all tenants in the Building, the Property or the Project, or portion thereof which the Premises are a part, Landlord shall have the right, but not the obligation, to pay such Taxes. Landlord's determination of any excess assessed valuation shall be binding and conclusive, absent manifest error. The amount of any such payment by Landlord shall constitute Additional Rent due from Tenant to Landlord immediately upon demand.

10. **Parking and PTDM.**

(a) **Parking and Monthly Parking Charge**. Subject to all applicable Legal Requirements, Force Majeure, a Taking (as defined in Section 19 below), the exercise by Landlord of its rights hereunder, commencing on the Commencement Date, Tenant shall be allocated and required to pay Monthly Parking Charges (as defined below), in common with other tenants of the Project, to use 0.9 vehicle parking spaces per 1,000 rentable square feet of the Premises ("**Tenant's Parking Allocation**") in the parking facility located at the One Kendall Square Garage (the "**OKS Garage**"), to park in those areas designated for non-reserved parking, subject in each case to Landlord's rules and regulations. Landlord may allocate parking spaces among Tenant and other tenants in the Project pro rata as described above if Landlord determines that such parking facilities are becoming crowded. Landlord shall not be responsible for enforcing Tenant's parking rights against any third parties, including other tenants of the Project. If, during the Term, Tenant delivers written notice to Landlord requesting additional parking spaces and Landlord determines that the additional parking spaces desired by Tenant are available for use by Tenant ("**Additional Parking Spaces**"), Landlord shall notify Tenant in writing and Tenant shall commence using and paying the Monthly Parking Charge for such Additional Parking Spaces immediately following Landlord's delivery of such written notice to Tenant that such Additional Parking Spaces are available for Tenant's use; provided, however, that Tenant's right to use any such Additional Parking Spaces shall be on a month-to-month basis only. The "**Monthly Parking Charge**" shall mean the market rate monthly charge therefor designated by Landlord, adjusted reasonably and no more frequently than once in any 12-month period, based upon the rates charged by comparable parking facilities in the vicinity of the Project, which as of the Commencement Date is anticipated to equal $450.00 per parking space per month.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

(b) **Parking and Transportation Demand Management**. Tenant shall, at Tenant's sole expense, for so long as a parking and traffic demand management plan approved by the City of Cambridge (as amended from time to time, the "**PTDM**"), is applicable to the Project, comply with the PTDM as applicable to the Project, including without limitation, as applicable (i) offer to subsidize mass transit monthly passes for all of its employees who work in the Premises in accordance with the terms set forth in the PTDM; (ii) implement a Commuter Choice Program and the MBTA's Corporate Pass Plan; (iii) discourage single-occupant vehicle ("**SOV**") use by its employees; (iv) promote alternative modes of transportation and use of alternative work hours; (v) at Landlord's request, meet with Landlord and/or its representatives no more frequently than quarterly to discuss transportation programs and initiatives; (vi) participate in annual surveys, monitoring transportation programs and initiatives at the Campus, and, without limitation, achieve a sixty (60%) percent response rate for patron surveys; (vii) cooperate with Landlord in connection with transportation programs and initiatives promulgated pursuant to the PTDM; (viii) provide alternative work programs (such as telecommuting, flex-time and compressed work weeks) to its employees in order to reduce traffic impacts in Cambridge during peak commuter hours; (ix) offer an emergency ride home ("**ERH**") through the Charles River Transportation Management Association ("**CRTMA**"), or have its own ERH program, for all employees who commute by non-SOV mode at least 3 days a week and who are eligible to park in the parking spaces in the parking facility described above; (x) cooperate with the Cambridge Office of Workforce Development to expand employment opportunities for Cambridge residents; (xi) become a member of the CRTMA and cause the EZ Ride shuttle service to service the Building; (xii) in the event that the single occupancy vehicle and traffic generation modal split limits of the PTDM are exceeded, charge each user of a parking space the market rate for parking in Kendall Square/East Cambridge therefor; (xiii) comply with the requirements of any other parking and traffic demand management plan to which Tenant may be a party from time to time; (xiv) designate an employee transportation coordinator for the Building; and (xv) otherwise cooperate with Landlord in encouraging employees to seek alternate modes of transportation.

11. **Utilities, Services**.

(a) **Generally**. Landlord shall provide or cause to be provided to the Premises, subject to the terms of this Section 11, (i) water, (ii) electricity (including lights and plugs), (iii) heat, ventilation and air conditioning (collectively, "**HVAC**"), (iv) power, and (v) sewer (collectively, "**Utilities**"). Landlord shall pay, as Operating Expenses or subject to Tenant's direct reimbursement obligation as provided for below, for all Utilities used on the Premises, all maintenance charges for Utilities, and any storm sewer charges or other similar charges for Utilities imposed by any Governmental Authority or Utility provider, and any Taxes, penalties, surcharges or similar charges thereon. The Premises shall be separately metered or check-metered for electrical consumption. Tenant shall be responsible for all telephone and data wiring throughout the Premises. Landlord may cause, at Landlord's expense (except to the extent necessary as a result of Tenant's disproportionate use of Utilities in which case Tenant shall pay the cost), any other Utilities to be separately metered or charged directly to Tenant by the provider. Commencing on the Commencement Date, Tenant shall pay directly to the Utility provider, prior to delinquency, any separately metered Utilities and services (which may include, among other Utilities and services, telephone and internet service) which may be furnished to Tenant or the Premises during the Term. Commencing on the Commencement Date, Tenant shall pay, as part of Operating Expenses, its share of all charges for jointly metered Utilities based upon consumption, as reasonably determined by Landlord. No interruption or failure of Utilities from any cause whatsoever shall result in eviction or constructive eviction of Tenant, termination of this Lease or, except as otherwise provided in the immediately following paragraph, the abatement of Rent. Tenant agrees to limit use of water and sewer with respect to Common Areas to normal restroom use.

Notwithstanding anything to the contrary set forth herein, if (i) a stoppage of a Utility Service (as defined below) to the Premises shall occur and such stoppage is due solely to the gross negligence or willful misconduct of Landlord and not due in any part to any act or omission on the part of Tenant or any Tenant Party or any matter beyond Landlord's reasonable control (any such stoppage of a Utility Service being hereinafter referred to as a "**Service Interruption**"), and (ii) such Service Interruption continues for more than 5 consecutive business days after Landlord shall have received written notice thereof from Tenant, and (iii) as a result of such Service Interruption, the conduct of Tenant's normal operations in the Premises are materially and adversely affected, then there shall be an abatement of one day's Base Rent for each day during which such Service Interruption continues after such 5 business day period; provided, however, that if any part of the Premises is reasonably useable for Tenant's normal business operations or if Tenant conducts all or any part of its operations in any portion of the Premises notwithstanding such Service Interruption, then the amount of each daily abatement of Base Rent shall only be proportionate to the nature and extent of the interruption of Tenant's normal operations or ability to use the Premises. The rights granted to Tenant under this paragraph shall be Tenant's sole and exclusive remedy resulting from a failure of Landlord to provide services, and Landlord shall not otherwise be liable for any loss or damage suffered or sustained by Tenant resulting from any failure or cessation of services. For purposes hereof, the term "**Utility Service**" shall mean the following services: HVAC service, water, sewer and electricity, but in each case only to the extent that Landlord has an obligation to provide same to Tenant under this Lease.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

(b) **Janitorial**. Landlord shall, as part of Operating Expenses, provide or cause to be provided with respect to the Common Areas only, refuse and trash collection and janitorial services. Tenant shall be responsible for contracting directly with a vendor reasonably acceptable to Landlord and paying for its own janitorial services for the Premises.

(c) **Emergency Generator.** Landlord's sole obligation for either providing emergency generators or providing emergency back-up power to Tenant shall be: (i) to provide emergency generators with not less than the capacity of the emergency generators serving the Building as of the Commencement Date, and (ii) to contract with a third party to maintain the emergency generators as per the manufacturer's standard maintenance guidelines. Except as otherwise provided in the immediately preceding sentence, Landlord shall have no obligation to provide Tenant with operational emergency generators or back-up power or to supervise, oversee or confirm that the third party maintaining the emergency generators is maintaining the generators as per the manufacturer's standard guidelines or otherwise. During any period of replacement, repair or maintenance of the emergency generators when the emergency generators are not operational, including any delays thereto due to the inability to obtain parts or replacement equipment, Landlord shall have no obligation to provide Tenant with an alternative back-up generator or generators or alternative sources of back-up power. Tenant expressly acknowledges and agrees that Landlord does not guaranty that such emergency generators will be operational at all times or that emergency power will be available to the Premises when needed. Landlord shall, upon Tenant's written request (not more frequently than once per calendar year), make available for Tenant's inspection the maintenance contract and maintenance records for the emergency generators for the 12 month period immediately preceding Landlord's receipt of Tenant's written request.

(d) **Acid Neutralization System**. Landlord shall provide Tenant with non-exclusive access to the acid neutralization system existing as of the Commencement Date ("**Acid Neutralization System**") pursuant to the terms and conditions of this Lease. Tenant acknowledges and agrees that the Acid Neutralization System shall be shared with other tenants of the Building. Tenant shall pay its share of ongoing operation costs of the Acid Neutralization System as an Operating Expense, as allocated by Landlord among Tenant and other user tenants on a pro rata basis, with Tenant's share based on the ratio of the rentable square footage of the Premises to the sum of the rentable square footages of the Premises and the premises of all other user tenants. Landlord's sole obligations for providing the Acid Neutralization System, or any acid neutralization system facilities, to Tenant shall be (the "**Acid Neutralization Obligations**") to (i) use reasonable efforts to obtain and maintain the permit required from the Massachusetts Water Resources Authority for discharge through the Acid Neutralization System (the "**Discharge Permit**"), provided that Tenant reasonably cooperates with Landlord and provides all information and documents reasonably necessary in connection with the Discharge Permit; and (ii) contract with a third party to maintain the Acid Neutralization System as operating as per the manufacturer's standard maintenance guidelines. Notwithstanding anything herein to the contrary, if the Acid Neutralization System must be replaced and the cost thereof is not included in such third party maintenance contract, then, Landlord shall replace the Acid Neutralization System, it being acknowledged, however, that Tenant shall be responsible for its share of all costs incurred in connection therewith as an Operating Expense, as provided in Section 5 above.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

Tenant shall be solely responsible for the use of the Acid Neutralization System by Tenant, its employees, any contractors, sublessees, invitees or any party other than Landlord or Landlord's contractors, and Tenant shall be jointly and severally responsible for the use of the Acid Neutralization System with the other user tenants, except in the event that Tenant can prove to Landlord's reasonable satisfaction that neither Tenant nor any Tenant party caused, contributed to or exacerbated the matter for which Tenant would otherwise be jointly or severally responsible but for this exception. Tenant shall use, and cause other parties under its control or for which it is responsible to use, the Acid Neutralization System in accordance with this Lease and in accordance with all applicable Legal Requirements, the Discharge Permit and any permits and approvals from Governmental Authorities for or applicable to Tenant's use of the Acid Neutralization System. Tenant shall not take any action or make any omission that would result in a violation of the Discharge Permit or any other permit or Legal Requirements applicable to the Acid Neutralization System. Tenant's compliance with applicable permits and Legal Requirements shall include but not be limited to posting signs at all sinks located in the Premises containing applicable notices regarding the use of sink drains for the disposal of chemicals and other Hazardous Materials. Tenant shall maintain a chemical management plan prohibiting the improper discharge or disposal of chemicals. Tenant shall train all laboratory personnel in the Premises on the proper disposal of chemicals and other Hazardous Materials. Landlord reserves the right, at any time and from time to time, to require reasonable limitations and restrictions on discharges by Tenant to the Acid Neutralization System as Landlord may reasonably determine to be necessary for the operation of the Acid Neutralization System. Landlord and its contractors and consultants shall be permitted to perform periodic sampling of all substances regulated under permits applicable to the Acid Neutralization System, including without limitation the discharge permit issued by the Massachusetts Water Resources Authority ("**MWRA**"), or as otherwise deemed appropriate by Landlord in its sole discretion. Landlord and its contractors and consultants shall be permitted to perform periodic inspections of the Acid Neutralization System and the discharge points and connections thereto located in the Premises. If requested by Landlord based on conditions pertaining to the Acid Neutralization System, Tenant shall promptly provide updates to its Hazardous Materials List (as defined in Section 30(b) below) to Landlord. Tenant shall promptly notify Landlord of any changes in the flow volume or properties that could impact the operation of the Acid Neutralization System or compliance with applicable permits or Legal Requirements, including without limitation a discharge known or reasonably believed to be non-compliant, changes in Tenant's operations in the Premises and addition of new equipment by Tenant such as cage washers, glass washers or autoclaves.

The scope of the Decommissioning and HazMat Closure Plan (as defined in Section 28 of this Lease) shall include all actions for the proper cleaning, decommissioning and cessation of Tenant's use of the Acid Neutralization System, and all requirements under this Lease for the surrender of the Premises shall also apply to Tenant's cessation of use of the Acid Neutralization System, in each case whether at Lease expiration, termination or prior thereto (but Tenant shall not be required to complete the decommissioning of the Acid Neutralization System if other tenants or occupants will continue to use the same after the expiration or earlier termination of this Lease, nor shall Tenant be responsible for or bear any costs of decommissioning arising from the use of the Acid Neutralization System by any party other than Tenant; it being agreed that if multiple tenants use the Acid Neutralization System, then Landlord shall be responsible for completing the decommissioning thereof, and Tenant shall pay to Landlord within thirty (30) days after invoice therefor Tenant's share of the reasonable, actual costs of decommissioning based on the ratio of the rentable square footage of the Premises to the rentable square footage of the Premises and the premises of all other user tenants). The obligations of Tenant under this Lease with respect to the Acid Neutralization System shall be joint and several with such other tenants as aforesaid, except in the event that Tenant can prove to Landlord's reasonable satisfaction that neither Tenant nor any Tenant Party caused, contributed to or exacerbated the matter for which Tenant would otherwise be jointly and severally responsible but for this exception. Without in any way limiting the Acid Neutralization Obligations, except for contracting with a third party to maintain the Acid Neutralization System as per the manufacturer's standard maintenance guidelines, Landlord shall have no obligation to provide Tenant with operational emergency or back-up acid neutralization facilities or to supervise, oversee or confirm that the third party maintaining the Acid Neutralization System is maintaining such system as per the manufacturer's standard guidelines or otherwise. Landlord shall, upon written request from Tenant (not more frequently than once per calendar year), make available for Tenant's inspection the maintenance contract and maintenance records for the Acid Neutralization System for the 12 month period immediately preceding Landlord's receipt of Tenant's written request. During any period of replacement, repair or maintenance of the Acid Neutralization System when such system is not operational, including any delays thereto due to the inability to obtain parts or replacement equipment, Landlord shall have no obligation to provide Tenant with an alternative back-up system or facilities. Tenant expressly acknowledges and agrees that Landlord does not guaranty that such Acid Neutralization System will be operational at all times or that such system will be available to the Premises when needed. Without in any way limiting the Acid Neutralization Obligations, in no event shall Landlord be liable to Tenant or any other party for any damages of any type, whether actual or consequential, suffered by Tenant or any such other person in the event that the Acid Neutralization System or back-up system, if any, or any replacement thereof fails or does not operate in a manner that meets Tenant's requirements.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

(e) **Energy Usage Data**. Tenant agrees to provide Landlord with access to Tenant's water and energy usage data on a monthly basis, either by providing Tenant's applicable utility login credentials to Landlord's designated online portal, or by another delivery method reasonably agreed to by Landlord and Tenant. The costs and expenses incurred by Landlord in connection with receiving and analyzing such water and energy usage data (including, without limitation, as may be required pursuant to applicable Legal Requirements) shall be included as part of Operating Expenses.

12. **Alterations and Tenant's Property**. Any alterations, additions, or improvements made to the Premises by or on behalf of Tenant, including additional locks or bolts of any kind or nature upon any doors or windows in the Premises, but excluding installation, removal or realignment of furniture systems (other than removal of furniture systems owned or paid for by Landlord) not involving any modifications to the structure or connections (other than by ordinary plugs or jacks) to Building Systems (as defined in Section 13) ("**Alterations**") shall be subject to Landlord's prior written consent, which may be given or withheld in Landlord's sole discretion if any such Alteration affects the Building structure or Building Systems and shall not be otherwise unreasonably withheld. Tenant may construct nonstructural, cosmetic Alterations in the Premises without Landlord's prior approval if the aggregate cost of all such work in any 12 month period does not exceed $50,000 (a "**Notice-Only Alteration**"), provided Tenant notifies Landlord in writing of such intended Notice-Only Alteration, and such notice shall be accompanied by plans and specifications (to the extent plans and specifications are customarily prepared in connection with the type of Alteration reflected in such notice), work contracts and such other information concerning the nature and cost of the Notice-Only Alteration as may be reasonably requested by Landlord, which notice and accompanying materials shall be delivered to Landlord not less than 10 business days in advance of any proposed construction. If Landlord approves any Alterations, Landlord may impose such reasonable conditions on Tenant in connection with the commencement, performance and completion of such Alterations as Landlord may deem appropriate in Landlord's sole and absolute discretion. Any request for approval shall be in writing, delivered not less than 15 business days in advance of any proposed construction, and accompanied by plans, specifications, bid proposals, work contracts and such other information concerning the nature and cost of the alterations as may be reasonably requested by Landlord, including the identities and mailing addresses of all persons performing work or supplying materials. Landlord's right to review plans and specifications and to monitor construction shall be solely for its own benefit, and Landlord shall have no duty to ensure that such plans and specifications or construction comply with applicable Legal Requirements. Tenant shall pay to Landlord, as Additional Rent, within 10 days after written demand from Landlord, an amount equal to the reasonable out-of-pocket costs incurred by Landlord with respect to each Alteration to cover Landlord's overhead and expenses for plan review, coordination, scheduling and supervision. Before Tenant begins any Alteration, Landlord may post on and about the Premises notices of non-responsibility pursuant to applicable law. Tenant shall reimburse Landlord for, and indemnify and hold Landlord harmless from, any expense incurred by Landlord by reason of faulty work done by Tenant or its contractors, delays caused by such work, or inadequate cleanup.

Upon Landlord's written request, Tenant shall furnish security or make other arrangements satisfactory to Landlord to assure payment for the completion of all Alterations work free and clear of liens, and shall provide (and cause each contractor or subcontractor to provide) certificates of insurance for workers' compensation and other coverage in amounts and from an insurance company satisfactory to Landlord protecting Landlord against liability for personal injury or property damage during construction. Upon completion of any Alterations, Tenant shall deliver to Landlord: (i) sworn statements setting forth the names of all contractors and subcontractors who did the work and final lien waivers from all such contractors and subcontractors; and (ii) "as built" plans for any such Alteration.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

Except for Removable Installations (as hereinafter defined), all Installations (as hereinafter defined) shall be and shall remain the property of Landlord during the Term and following the expiration or earlier termination of the Term, shall not be removed by Tenant at any time during the Term, and shall remain upon and be surrendered with the Premises as a part thereof. Notwithstanding the foregoing, Landlord may, at the time its approval of any such Installation is requested, notify Tenant that Landlord requires that Tenant remove such Installation upon the expiration or earlier termination of the Term, in which event Tenant shall remove such Installation in accordance with the immediately succeeding sentence. Upon the expiration or earlier termination of the Term, Tenant shall remove (i) all wires, cables or similar equipment which Tenant has installed in the Premises or in the risers or plenums of the Building, (ii) any Installations for which Landlord has given Tenant notice of removal in accordance with the immediately preceding sentence, and (iii) all of Tenant's Property (as hereinafter defined), and Tenant shall restore and repair any damage caused by or occasioned as a result of such removal, including, without limitation, capping off all such connections behind the walls of the Premises and repairing any holes. During any restoration period beyond the expiration or earlier termination of the Term, Tenant shall pay Rent to Landlord as provided herein as if said space were otherwise occupied by Tenant. If Landlord is requested by Tenant or any lender, lessor or other person or entity claiming an interest in any of Tenant's Property to waive any lien Landlord may have against any of Tenant's Property, and Landlord consents to such waiver, then Landlord shall be entitled to reimbursement from Tenant for its actual, reasonable out-of-pocket costs incurred in connection with the preparation and negotiation of each such waiver of lien.

For purposes of this Lease, (x) "**Removable Installations**" means any items listed on **Exhibit F** attached hereto and any items agreed by Landlord in writing to be included on **Exhibit F** in the future, (y) "**Tenant's Property**" means Removable Installations (which, for the avoidance of doubt, shall include the Transferred Lab Equipment) and, other than Installations, any personal property or equipment of Tenant that may be removed without material damage to the Premises, and (z) "**Installations**" means all property of any kind paid for with the TI Fund, all Alterations, all fixtures, and all partitions, hardware, built-in machinery, built-in casework and cabinets and other similar additions, equipment, property and improvements built into the Premises so as to become an integral part of the Premises, including, without limitation, fume hoods which penetrate the roof or plenum area, built-in cold rooms, built-in warm rooms, walk-in cold rooms, walk-in warm rooms, deionized water systems, glass washing equipment, autoclaves, chillers, built-in plumbing, electrical and mechanical equipment and systems, and any power generator and transfer switch.

Tenant shall not be required to remove or restore the Tenant Improvements at the expiration or earlier termination of the Lease, so long as such Tenant Improvements constitute "standard" laboratory and office improvements, as reasonably determined by Landlord, nor shall Tenant have the right to remove the Tenant Improvements at any time except as otherwise contemplated pursuant to this Section 12. For the avoidance of doubt, the Transferred Lab Equipment shall be the property of Tenant at all times during the Term and Tenant shall be required to remove the Transferred Lab Equipment from the Premises at the expiration of earlier termination of the Term.

13. **Landlord's Repairs**. Landlord, as an Operating Expense, shall maintain (a) all of the structural, exterior, parking and other Common Areas of the Project, and (b) all Building systems serving the Premises and other portions of the Project including, without limitation, HVAC, plumbing, fire sprinklers ("**Building Systems**"), in good repair, reasonable wear and tear and, subject to the provisions of the penultimate paragraph of Section 17, uninsured losses and damages caused by Tenant, or by any of Tenant's assignees, sublessees, licensees, agents, servants, employees, invitees and contractors (or any of Tenant's assignees, sublessees and/or licensees respective agents, servants, employees, invitees and contractors) (collectively, "**Tenant Parties**") excluded. Subject to the provisions of the penultimate paragraph of Section 17, losses and damages caused by Tenant or any Tenant Party shall be repaired by Landlord, to the extent not covered by insurance (unless Landlord failed to maintain insurance otherwise required to be maintained by Landlord under this Lease), at Tenant's sole cost and expense. Landlord reserves the right to stop Building Systems services when necessary (i) by reason of accident or emergency, or (ii) for planned repairs, alterations or improvements, which are, in the commercially reasonable judgment of Landlord, necessary to be made, until such repairs, alterations or improvements shall have been completed. Landlord shall have no responsibility or liability for failure to supply Building Systems services during any such period of interruption; provided, however, that Landlord shall, except in case of emergency, give Tenant 24 hours advance notice of any planned stoppage of Building Systems services for routine maintenance, repairs, alterations or improvements. Landlord shall use commercially reasonable efforts to minimize interference with Tenant's operations in the Premises during any such planned stoppages of Building Systems services. Tenant shall promptly give Landlord written notice of any repair required by Landlord pursuant to this paragraph upon becoming aware of the need for such repair, after which Landlord shall make a commercially reasonable effort to effect such repair within a commercially reasonable period of time taking into account the nature of the repair. Landlord shall not be liable for any failure to make any repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after Tenant's written notice of the need for such repairs or maintenance. Tenant waives its rights under any state or local law to terminate this Lease or to make such repairs at Landlord's expense and agrees that the parties' respective rights with respect to such matters shall be solely as set forth herein. Repairs required as the result of fire, earthquake, flood, vandalism, war, or similar cause of damage or destruction shall be controlled by Section 18.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

14. **Tenant's Repairs**. Subject to Section 13 hereof, Tenant, at its expense, shall repair, replace and maintain in good condition all portions of the Premises, including, without limitation, entries, doors, ceilings, non-structural components of windows, interior walls, the interior side of demising walls and any mechanical systems or equipment exclusively serving the Premises. Should Tenant fail to make any such repair or replacement or fail to maintain the Premises, Landlord shall give Tenant a reasonably detailed written notice of such failure. If Tenant fails to commence cure of such failure within 30 days of Landlord's delivery of such written notice to Tenant, and thereafter diligently prosecute such cure to completion, Landlord may perform such work and shall be reimbursed by Tenant within 10 business days after Landlord's delivery to Tenant of Landlord's demand therefor (which demand shall contain a commercially reasonable breakdown of any costs incurred by Landlord in connection with such work); provided, however, that if such failure by Tenant creates or could create an emergency, Landlord may immediately commence cure of such failure and shall thereafter be entitled to recover the costs of such cure from Tenant. Subject to Sections 17 and 18, Tenant shall bear the full uninsured cost of any repair or replacement to any part of the Project that results from damage caused by Tenant or any Tenant Party and any repair that benefits only the Premises.

15. **Mechanic's Liens**. Tenant shall fully discharge of record from title or from the public record, by bond or otherwise, any mechanic's lien filed against the Premises or against the Project for work claimed to have been done for, or materials claimed to have been furnished to, Tenant within 10 days after Tenant receives notice of the filing thereof, at Tenant's sole cost and shall otherwise keep the Premises and the Project free from any liens arising out of work performed, materials furnished or obligations incurred by Tenant. Should Tenant fail to fully discharge of record any lien described herein, Landlord shall have the right, but not the obligation, to pay such claim or post a bond or otherwise provide security to eliminate the lien as a claim against title to the Project and the costs incurred by Landlord in connection therewith shall be immediately due from Tenant as Additional Rent. If Tenant shall lease or finance the acquisition of office equipment, furnishings, or other personal property of a removable nature utilized by Tenant in the operation of Tenant's business, Tenant warrants that any Uniform Commercial Code Financing Statement filed as a matter of public record by any lessor or creditor of Tenant will upon its face or by exhibit thereto indicate that such Financing Statement is applicable only to removable personal property of Tenant located within the Premises. In no event shall the address of the Project be furnished on the statement without qualifying language as to applicability of the lien only to removable personal property, located in the suite number designated to the Premises in the Basic Lease Provisions.

16. **Indemnification**. Tenant hereby indemnifies and agrees to defend, save and hold Landlord, its officers, directors, employees, managers, members, partners, agents, sub-agents, affiliates and lease signators (collectively, "**Landlord Indemnified Parties**") harmless from and against any and all demands, claims, liabilities, losses, costs, expenses, actions, causes of action, damages or judgments, and all reasonable expenses incurred in investigating or resisting the same (including, without limitation, reasonable attorneys' fees, charges and disbursements and costs of suit) (collectively, "**Claims**") for injury or death to persons or damage to property occurring within or about the Premises or the Project arising directly or indirectly out of the use or occupancy of the Premises or the Project by Tenant or any Tenant Parties (including, without limitation, any act, omission or neglect by Tenant or any Tenant's Parties in or about the Premises or at the Project) or a breach or default by Tenant in the performance of any of its obligations hereunder, except to the extent caused by the willful misconduct or negligence of Landlord Indemnified Parties. Landlord shall not be liable to Tenant for, and Tenant assumes all risk of damage to, personal property (including, without limitation, loss of records kept within the Premises). Tenant further waives any and all Claims for injury to Tenant's business or loss of income relating to any such damage or destruction of personal property (including, without limitation, any loss of records). Landlord shall not be liable for any damages arising from any act, omission or neglect of any tenant in the Project or of any other third party. The provisions of this Section 16 shall survive the expiration or earlier termination of the Lease.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

17. **Insurance**. Landlord shall maintain all risk property and, if applicable, sprinkler damage insurance covering the full replacement cost of the Project. Landlord shall further procure and maintain commercial general liability insurance with a single loss limit of not less than $3,000,000 for bodily injury and property damage with respect to the Project. Landlord may, but is not obligated to, maintain such other insurance and additional coverages as it may deem necessary, including, but not limited to, flood, environmental hazard and earthquake, loss or failure of building equipment, errors and omissions, rental loss during the period of repair or rebuilding, workers' compensation insurance and fidelity bonds for employees employed to perform services and insurance for any improvements installed by Tenant or that are in addition to the standard improvements customarily furnished by Landlord without regard to whether or not such are made a part of the Project. All such insurance shall be included as part of the Operating Expenses. The Building and the Property may be included in a blanket policy (in which case the cost of such insurance allocable to the Building and the Property will be determined by Landlord based upon the insurer's cost calculations). Tenant shall also reimburse Landlord for any increased premiums or additional insurance that Landlord reasonably deems necessary as a result of Tenant's use of the Premises.

Tenant, at its sole cost and expense, shall maintain during the Term: all risk property insurance with business interruption and extra expense coverage, covering the full replacement cost of all property and improvements installed or placed in the Premises by Tenant at Tenant's expense; workers' compensation insurance with no less than the minimum limits required by law; employer's liability insurance with employers liability limits of $1,000,000 bodily injury by accident – each accident, $1,000,000 bodily injury by disease – policy limit, and $1,000,000 bodily injury by disease – each employee; and commercial general liability insurance, with a minimum limit of not less than $2,000,000 per occurrence for bodily injury and property damage with respect to the Premises. The commercial general liability insurance maintained by Tenant shall name Alexandria Real Estate Equities, Inc., and Landlord, its officers, directors, employees, managers, agents, sub-agents, constituent entities and lease signators (collectively, "**Landlord Insured Parties**"), as additional insureds; insure on an occurrence and not a claims-made basis; be issued by insurance companies which have a rating of not less than policyholder rating of A and financial category rating of at least Class X in "Best's Insurance Guide"; shall not be cancelable for nonpayment of premium unless 30 days prior written notice shall have been given to Landlord from the insurer; not contain a hostile fire exclusion; contain a contractual liability endorsement; and provide primary coverage to Landlord Insured Parties (any policy issued to Landlord Insured Parties providing duplicate or similar coverage shall be deemed excess over Tenant's policies, regardless of limits). Certificates of insurance showing the limits of coverage required hereunder and showing the Landlord Insured Parties as an additional insureds, shall be delivered to Landlord by Tenant (i) concurrent with Tenant's delivery to Landlord of a copy of this Lease executed by Tenant, and (ii) prior to each renewal of said insurance. Tenant's policy may be a "blanket policy" with an aggregate per location endorsement which specifically provides that the amount of insurance shall not be prejudiced by other losses covered by the policy. Tenant shall, at least 5 days prior to the expiration of such policies, furnish Landlord with renewal certificates.

In each instance where insurance is to name Landlord as an additional insured, Tenant shall upon written request of Landlord also designate and furnish certificates so evidencing Landlord as additional insured to: (i) any lender of Landlord holding a security interest in the Building, the Property or the Project or any portion thereof, (ii) the landlord under any lease wherein Landlord is tenant of the real property on which the Building, the Property or the Project is located, if the interest of Landlord is or shall become that of a tenant under a ground or other underlying lease rather than that of a fee owner, and/or (iii) any management company retained by Landlord to manage the Project.

The property insurance obtained by Landlord and Tenant shall include a waiver of subrogation by the insurers and all rights based upon an assignment from its insured, against Landlord or Tenant, and their respective officers, directors, employees, managers, agents, invitees and contractors ("**Related Parties**"), in connection with any loss or damage thereby insured against (or required to be insured against pursuant to this Lease). Neither party nor its respective Related Parties shall be liable to the other for loss or damage caused by any risk insured against under property insurance required to be maintained hereunder, and each party waives any claims against the other party, and its respective Related Parties, for such loss or damage. The failure of a party to insure its property shall not void this waiver. Landlord and its respective Related Parties shall not be liable for, and Tenant hereby waives all claims against such parties for, business interruption and losses occasioned thereby sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence in or upon the Premises, the Building, the Property or the Project from any cause whatsoever. If the foregoing waivers shall contravene any law with respect to exculpatory agreements, the liability of Landlord or Tenant shall be deemed not released but shall be secondary to the other's insurer.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

Landlord may require insurance policy limits to be raised to conform with requirements of any Holder of a Mortgage encumbering the Project or any portion thereof and/or to bring coverage limits to levels then being generally required of new tenants within the Project; provided, however, that the increased amount of coverage is consistent with coverage amounts then being required by institutional owners of similar projects with tenants occupying similar size premises in the geographical area in which the Project is located.

18. **Restoration**. If, at any time during the Term, the Project or the Premises are damaged or destroyed by a fire or other casualty, Landlord shall notify Tenant within 60 days after discovery of such damage as to the amount of time Landlord reasonably estimates it will take to restore the Project or the Premises, as applicable (the "**Restoration Period**"). If the Restoration Period is estimated to exceed 12 months after discovery of the damage (the "**Maximum Restoration Period**"), Landlord may, in such notice, elect to terminate this Lease as of the date that is 75 days after the date of discovery of such damage or destruction; provided, however, that notwithstanding Landlord's election to restore, Tenant may elect to terminate this Lease by written notice to Landlord delivered within 10 business days of receipt of a notice from Landlord estimating a Restoration Period for the Premises longer than the Maximum Restoration Period. Unless either Landlord or Tenant so elects to terminate this Lease, Landlord shall, subject to receipt of sufficient insurance proceeds (with any deductible to be treated as a current Operating Expense), promptly restore the Premises (excluding the improvements installed by Tenant or by Landlord and paid for by Tenant), subject to delays arising from the collection of insurance proceeds, from Force Majeure events or as needed to obtain any license, clearance or other authorization of any kind required to enter into and restore the Premises issued by any Governmental Authority having jurisdiction over the use, storage, handling, treatment, generation, release, disposal, removal or remediation of Hazardous Materials (as defined in Section 30) in, on or about the Premises (collectively referred to herein as "**Hazardous Materials Clearances**"); provided, however, that if repair or restoration of the Premises is not substantially complete as of the end of the Maximum Restoration Period or, if longer, the Restoration Period, Landlord may, in its sole and absolute discretion, elect (by delivery of written notice to Tenant) not to proceed with such repair and restoration, or Tenant may by written notice to Landlord delivered within 10 days of the expiration of the Maximum Restoration Period or, if longer, the Restoration Period, elect to terminate this Lease, in which event Landlord shall be relieved of its obligation to make such repairs or restoration and this Lease shall terminate as of the date that is 75 days after the later of: (i) discovery of such damage or destruction, or (ii) the date all required Hazardous Materials Clearances are obtained, but Landlord shall retain any Rent paid and the right to any Rent payable by Tenant prior to such election by Landlord or Tenant.

Promptly following the date that Landlord makes the Premises available to Tenant for Tenant's repairs and/or restoration, Tenant shall, at Tenant's expense, promptly perform, subject to delays arising from the collection of insurance proceeds, from Force Majeure events or to obtain Hazardous Material Clearances, all repairs or restoration not required to be done by Landlord and shall promptly re-enter the Premises and commence doing business in accordance with this Lease. Notwithstanding the foregoing, either Landlord or Tenant may terminate this Lease upon written notice to the other if the Premises are damaged during the last year of the Term and Landlord reasonably estimates that it will take more than 2 months to repair such damage; provided, however, that such notice is delivered within 10 business days after the date that Landlord provides Tenant with written notice of the estimated Restoration Period, or if insurance proceeds are not available for such restoration. Rent shall be abated from the date all required Hazardous Material Clearances are obtained until the Premises are repaired and restored, in the proportion that the area of the Premises, if any, that is not usable by Tenant bears to the total area of the Premises, unless Landlord provides Tenant with other space during the period of repair that is suitable for the temporary conduct of Tenant's business. If no Hazardous Material Clearances are required to be obtained by Tenant with respect to the Premises, rent abatement shall commence on the date of discovery of the damage or destruction. Such abatement shall be the sole remedy of Tenant, and except as provided in this Section 18, Tenant waives any right to terminate this Lease by reason of damage or casualty loss.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

The provisions of this Lease, including this Section 18, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, or any other portion of the Building, the Property or the Project, and any statute or regulation that is now or may hereafter be in effect shall have no application to this Lease or any damage or destruction to all or any part of the Premises or any other portion of the Building, the Property or the Project, the parties hereto expressly agreeing that this Section 18 sets forth their entire understanding and agreement with respect to such matters.

19. **Condemnation**. If the whole or any material part of the Premises, the Building, the Property or the Project is taken for any public or quasi-public use under governmental law, ordinance, or regulation, or by right of eminent domain, or by private purchase in lieu thereof (a "**Taking**" or "**Taken**"), and the Taking would in Landlord's reasonable judgment either prevent or materially interfere with Tenant's use of the Premises or materially interfere with or impair Landlord's ownership or operation of the Building or the Property, then upon written notice by Landlord this Lease shall terminate and Rent shall be apportioned as of said date. If part of the Premises shall be Taken, and this Lease is not terminated as provided above, Landlord shall promptly restore the Premises, Building and Property as nearly as is commercially reasonable under the circumstances to their condition prior to such partial Taking and the rentable square footage of the Building, the rentable square footage of the Premises, Tenant's Share of Operating Expenses, the Building's Share of the Project and the Rent payable hereunder during the unexpired Term shall be reduced to such extent as may be fair and reasonable under the circumstances. Upon any such Taking, Landlord shall be entitled to receive the entire price or award from any such Taking without any payment to Tenant, and Tenant hereby assigns to Landlord Tenant's interest, if any, in such award. Tenant shall have the right, to the extent that same shall not diminish Landlord's award, to make a separate claim against the condemning authority (but not Landlord) for such compensation as may be separately awarded or recoverable by Tenant for moving expenses, relocation expenses and damage to Tenant's personal property, if a separate award for such items is made to Tenant. Tenant hereby waives any and all rights it might otherwise have pursuant to any provision of state law to terminate this Lease upon a partial Taking of the Premises, the Building, the Property or the Project.

20. **Events of Default**. Each of the following events shall be a default ("**Default**") by Tenant under this Lease:

(a) **Payment Defaults**. Tenant shall fail to pay any installment of Rent or any other payment hereunder when due; provided, however, that Landlord shall give Tenant notice and an opportunity to cure any failure to pay Rent within 3 business days of any such notice not more than once in any 12 month period and Tenant agrees that such notice shall be in lieu of and not in addition to, or shall be deemed to be, any notice required by law.

(b) **Insurance**. Any insurance required to be maintained by Tenant pursuant to this Lease shall be canceled or terminated or shall expire or shall be reduced or materially changed, or Landlord shall receive a notice of nonrenewal of any such insurance and Tenant shall fail to obtain replacement insurance at least 5 days before the expiration of the current coverage.

(c) **Abandonment**. Tenant shall abandon the Premises. Tenant shall not be deemed to have abandoned the Premises if Tenant provides Landlord with reasonable advance notice prior to vacating and, at the time of vacating the Premises, (i) Tenant completes Tenant's obligations under the Decommissioning and HazMat Closure Plan in compliance with Section 28, (ii) Tenant has obtained the release of the Premises of all Hazardous Materials Clearances and the Premises are free from any residual impact from the Tenant HazMat Operations and provides reasonably detailed documentation to Landlord confirming such matters, (iii) Tenant has made reasonable arrangements with Landlord for the security of the Premises for the balance of the Term, and (iv) Tenant continues during the balance of the Term to satisfy and perform all of Tenant's obligations under this Lease as they come due.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

(d) **Improper Transfer**. Tenant shall assign, sublease or otherwise transfer or attempt to transfer all or any portion of Tenant's interest in this Lease or the Premises except as expressly permitted herein, or Tenant's interest in this Lease shall be attached, executed upon, or otherwise judicially seized and such action is not released within 90 days of the action.

(e) **Liens**. Tenant shall fail to discharge or otherwise obtain the release of any lien placed upon the Premises in violation of this Lease within the time period required pursuant to Section 15 of this Lease.

(f) **Insolvency Events**. Tenant or any guarantor or surety of Tenant's obligations hereunder shall: (A) make a general assignment for the benefit of creditors; (B) commence any case, proceeding or other action seeking to have an order for relief entered on its behalf as a debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or of any substantial part of its property (collectively a "**Proceeding for Relief**"); (C) become the subject of any Proceeding for Relief that is not dismissed within 90 days of its filing or entry; or (D) die or suffer a legal disability (if Tenant, guarantor, or surety is an individual) or be dissolved or otherwise fail to maintain its legal existence (if Tenant, guarantor or surety is a corporation, partnership or other entity).

(g) **Estoppel Certificate or Subordination Agreement**. Tenant fails to execute any document required from Tenant under Sections 23 or 27 within 5 business days after a second notice requesting such document.

(h) **Financial Information**. Tenant fails to provide any financial information required to be delivered by Tenant to Landlord pursuant to Section 43(c) following written request from Landlord, within 5 business days after a second notice requesting such financial information.

(i) **Other Defaults**. Tenant shall fail to comply with any provision of this Lease other than those specifically referred to in this Section 20, and, except as otherwise expressly provided herein, such failure shall continue for a period of 30 days after written notice thereof from Landlord to Tenant.

Any notice given under Section 20(i) hereof shall: (i) specify the alleged default, (ii) demand that Tenant cure such default, (iii) be in lieu of, and not in addition to, or shall be deemed to be, any notice required under any provision of applicable law, and (iv) not be deemed a forfeiture or a termination of this Lease unless Landlord elects otherwise in such notice; provided that if the nature of Tenant's default pursuant to Section 20(i) is such that it cannot be cured by the payment of money and reasonably requires more than 30 days to cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30 day period and thereafter diligently prosecutes the same to completion; provided, however, that such cure shall be completed no later than 60 days from the date of Landlord's notice.

21. **Landlord's Remedies**.

(a) **Payment By Landlord; Interest**. Upon a Default by Tenant hereunder, Landlord may, without waiving or releasing any obligation of Tenant hereunder, make such payment or perform such act. All sums so paid or incurred by Landlord, together with interest thereon, from the date such sums were paid or incurred, at the annual rate equal to 12% per annum or the highest rate permitted by law (the "Default Rate"), whichever is less, shall be payable to Landlord on demand as Additional Rent. Nothing herein shall be construed to create or impose a duty on Landlord to mitigate any damages resulting from Tenant's Default hereunder.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

(b) **Late Payment Rent**. Late payment by Tenant to Landlord of Rent and other sums due will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will beextremely difficult and impracticable to ascertain. Such costs include, but are not limited to, processing and accounting charges and late charges which may be imposed on Landlord under any Mortgage covering the Premises. Therefore, if any installment of Rent due from Tenant is not received by Landlord within 5 days after the date such payment is due, Tenant shall pay to Landlord an additional sum of 6% of the overdue Rent as a late charge. Notwithstanding the foregoing, before assessing a late charge the first time in any calendar year, Landlord shall provide Tenant written notice of the delinquency and will waive the right if Tenant pays such delinquency within 5 days thereafter. The parties agree that this late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. In addition to the late charge, Rent not paid when due shall bear interest at the Default Rate from the 5th day after the date due until paid.

(c) **Remedies**. Upon the occurrence of a Default, Landlord, at its option, without further notice or demand to Tenant, shall have in addition to all other rights and remedies provided in this Lease, at law or in equity, the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever (except as otherwise expressly provided in Section 21(c)(v) with respect to Landlord's Lump Sum Election). No cure in whole or in part of such Default by Tenant after Landlord has taken any action beyond giving Tenant notice of such Default to pursue any remedy provided for herein (including retaining counsel to file an action or otherwise pursue any remedies) shall in any way affect Landlord's right to pursue such remedy or any other remedy provided Landlord herein or under law or in equity, unless Landlord, in its sole discretion, elects to waive such Default.

(i) This Lease and the Term and estate hereby granted are subject to the limitation that whenever a Default shall have happened and be continuing, Landlord shall have the right, at its election, then or thereafter while any such Default shall continue and notwithstanding the fact that Landlord may have some other remedy hereunder or at law or in equity, to give Tenant written notice of Landlord's intention to terminate this Lease on a date specified in such notice, which date shall be not less than 5 business days after the giving of such notice, and upon the date so specified, this Lease and the estate hereby granted shall expire and terminate with the same force and effect as if the date specified in such notice were the date hereinbefore fixed for the expiration of this Lease, and all rights of Tenant hereunder shall expire and terminate, and Tenant shall be liable as hereinafter in this Section 21(c) provided. If any such notice is given, Landlord shall have, on such date so specified, the right of re-entry and possession of the Premises and the right to remove all persons and property therefrom and to store such property in a warehouse or elsewhere at the risk and expense, and for the account, of Tenant. Should Landlord elect to re-enter as herein provided or should Landlord take possession pursuant to legal proceedings or pursuant to any notice provided for by law, Landlord may, subject to Section 21(c)(ii) from time to time re-let the Premises or any part thereof for such term or terms and at such rental or rentals and upon such terms and conditions as Landlord may deem advisable, with the right to make commercially reasonable alterations in and repairs to the Premises.

(ii) Landlord shall be deemed to have satisfied any obligation to mitigate its damages by hiring an experienced commercial real estate broker to market the Premises and directing such broker to advertise and show the Premises to prospective tenants.

(iii) In the event of any termination of this Lease as in this Section 21 provided or as required or permitted by law or in equity, Tenant shall forthwith quit and surrender the Premises to Landlord, and Landlord may, without further notice, enter upon, re-enter, possess and repossess the same by summary proceedings, ejectment or otherwise, and again have, repossess and enjoy the same free of any rights of Tenant, and in any such event Tenant and no person claiming through or under Tenant by virtue of any law or an order of any court shall be entitled to possession or to remain in possession of the Premises.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

(iv) If this Lease is terminated or if Landlord shall re-enter the Premises as aforesaid, or in the event of the termination of this Lease, or of re-entry, by or under any proceeding or action or any provision of law by reason of a Default by Tenant, Tenant covenants and agrees forthwith to pay and be liable for, on the days originally fixed in this Lease for the payment thereof, amounts equal to the installments of Base Rent and all Additional Rent as they would, under the terms of this Lease become due if this Lease had not been terminated or if Landlord had not entered or re-entered, as aforesaid, and whether the Premises be relet or remain vacant, in whole or in part, or for a period less than the remainder of the Term, or for the whole thereof, but in the event that the Premises be relet by Landlord, Tenant shall be entitled to a credit in the net amount of rent and other charges received by Landlord in reletting, after deduction of all of Landlord's expenses incurred in reletting the Premises (including, without limitation, tenant improvement, demising and remodeling costs, brokerage fees and the like), and in collecting the rent in connection therewith, in the following manner: Amounts received by Landlord after reletting, if any, shall first be applied against such Landlord's expenses, until the same are recovered, and until such recovery, Tenant shall pay, as of each day when a payment would fall due under this Lease, the amount which Tenant is obligated to pay under the terms of this Lease (Tenant's liability prior to any such reletting and such recovery by Landlord no in any way to be diminished as a result of the fact that such reletting might be for a rent higher than the rent provided for in this Lease); when and if such expenses have been completely recovered by Landlord, the amounts received from reletting by Landlord as have not previously been applied shall be credited against Tenant's obligations as of each day when a payment would fall due under this Lease, and only the net amount thereof shall be payable by Tenant. Further, Tenant shall not be entitled to any credit of any kind for any period after the date when the Term of this Lease is scheduled to expire according to its terms.

Actions, proceedings or suits for the recovery of damages, whether liquidated or other damages, under this Lease, or any installments thereof, may be brought by Landlord from time to time at its election, and nothing contained herein shall be deemed to require Landlord to postpone suit until the date when the Term of this Lease would have expired if it had not been terminated hereunder.

(v) In addition, Landlord, at its election, notwithstanding any other provision of this Lease, by written notice to Tenant (the "**Lump Sum Election**"), shall be entitled to recover from Tenant, as and for liquidated damages, at any time following any termination of this Lease, a lump sum payment representing, at the time of Landlord's written notice of its Lump Sum Election, the sum of:

(A) the then present value (calculated in accordance with accepted financial practice using as the discount rate the yield to maturity on United States Treasury Notes as set forth below) of the amount of unpaid Base Rent and Additional Rent that would have been payable pursuant to this Lease for the remainder of the Term following Landlord's Lump Sum Election if this Lease had not been terminated, and

(B) all other damages and expenses (including attorneys' fees and expenses), if any, which Landlord shall have sustained by reason of the breach of any provision of this Lease; less

(C) the then present value (calculated in accordance with accepted financial practice using as the discount rate the yield to maturity on United States Treasury Notes as set forth below) of the aggregate net fair market rent plus additional charges payable for the Premises (if less than the then present value of Base Rent and Additional Rent that would have been payable pursuant to this Lease) for the remainder of the Term following Landlord's Lump Sum Election, calculated as of the date of Landlord's Lump Sum Election, and taking into account reasonable estimates of the future costs to relet any then vacant portions of the Premises (except to the extent that Tenant has actually paid such costs pursuant to this Section 21) in order to calculate the net rental revenue that Landlord may expect to obtain for the Premises for the balance of the Term.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

Landlord's recovery under its Lump Sum Election shall be in addition to Tenant's obligations to pay Base Rent and Additional Rent due and costs incurred prior to the date of Landlord's Lump Sum Election, and in lieu of any Base Rent and Additional Rent which would otherwise have been due under this Section from and after the date of Landlord's Lump Sum Election. The yield to maturity on United States Treasury Notes having a maturity date that is nearest the date that would have been the last day of the Term of this Lease, as reported in the Wall Street Journal or a comparable publication if it ceases to publish such yields, shall be used in calculating present values for purposes of Landlord's Lump Sum Election. For the purposes of this Section, if Landlord makes the Lump Sum Election to recover liquidated damages in accordance with this Section, the total Additional Rent shall be computed based upon Landlord's reasonable estimate of Tenant's Share of Operating Expenses and other Additional Rent for each 12-month period in what would have been the remainder of the Term of this Lease and any part thereof at the end of such remainder of the Term, but in no event less than the amounts therefor payable for the twelve (12) calendar months (or if less than twelve (12) calendar months have elapsed since the date hereof, the partial year) immediately preceding the date of Landlord's Lump Sum Election. Amounts of Tenant's Share of Operating Expenses and any other Additional Rent for any partial year at the beginning of the Term or at the end of what would have been the remainder of the Term shall be prorated.

(vi) Nothing herein contained shall limit or prejudice the right of Landlord, in any bankruptcy or insolvency proceeding, to prove for and obtain as liquidated damages by reason of such termination an amount equal to the maximum allowed by any bankruptcy or insolvency proceedings, or to prove for and obtain as liquidated damages by reason of such termination, an amount equal to the maximum allowed by any statute or rule of law, whether such amount shall be greater or less than the excess referred to above.

(vii) Nothing in this Section 21 shall be deemed to affect the right of either party to indemnifications pursuant to this Lease.

(viii) If Landlord terminates this Lease upon the occurrence of a Default, Tenant will quit and surrender the Premises to Landlord or its agents, and Landlord may, without further notice, enter upon, re-enter and repossess the Premises by summary proceedings, ejectment or otherwise. The words "enter", "re-enter", and "re-entry" are not restricted to their technical legal meanings.

(ix) If Tenant shall be in Default in the observance or performance of any provision of this Lease, and an action shall be brought for the enforcement thereof in which it shall be determined that Tenant was in Default, Tenant shall pay to Landlord all reasonable, out of pocket fees, costs and other expenses which may become payable as a result thereof or in connection therewith, including reasonable attorneys' fees and expenses.

(x) If Default by Tenant shall occur in the keeping, observance or performance of any covenant, agreement, term, provision or condition herein contained, Landlord, without thereby waiving such Default, may perform the same for the account and at the expense of Tenant (a) immediately or at any time thereafter and with only such notice, if any, as may be practicable under the circumstances in the case of an emergency or in case such Default will result in a violation of any legal or insurance requirements, or in the imposition of any lien against all or any portion of the Premises or the Project not discharged, released or bonded over to Landlord's satisfaction by Tenant within the time period required pursuant to Section 15 of this Lease, and (b) in any other case if such Default continues after any applicable notice and cure period provided in Section 20. All reasonable costs and expenses incurred by Landlord in connection with any such performance by it for the account of Tenant and also all reasonable costs and expenses, including attorneys' fees and disbursements incurred by Landlord in any action or proceeding (including any summary dispossess proceeding) brought by Landlord to enforce any obligation of Tenant under this Lease and/or right of Landlord in or to the Premises, shall be paid by Tenant to Landlord within 10 days after demand.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

(xi) Independent of the exercise of any other remedy of Landlord hereunder or under applicable law, Landlord may conduct an environmental test of the Premises as generally described in Section 30(d).

(xii) Landlord shall have the right to suspend funding of any TI Allowance or the performance of the Tenant Improvements during any period that Tenant is Default under this Lease. Once the Default has been cured, Landlord shall resume funding of the TI Allowance and the performance of the Tenant Improvements.

(xiii) In the event that Tenant is in breach or Default under this Lease, whether or not Landlord exercises its right to terminate or any other remedy, Tenant shall reimburse Landlord upon demand for any out of pocket costs and expenses that Landlord may incur in connection with any such breach or Default, as provided in this Section 21(c). Such costs shall include legal fees and costs incurred for the negotiation of a settlement, enforcement of rights or otherwise. Tenant shall also indemnify Landlord against and hold Landlord harmless from all costs, expenses, demands and liability, including without limitation, reasonable legal fees and costs Landlord shall incur if Landlord shall become or be made a party to any claim or action instituted by Tenant against any third party, by any third party against Tenant or by or against any person holding any interest under or using the Premises by license of or agreement with Tenant.

Except as otherwise provided in this Section 21, no right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy, and every right and remedy shall be cumulative and in addition to any other legal or equitable right or remedy given hereunder, or now or hereafter existing. No waiver by Landlord of any provision of this Lease shall be deemed to have been made unless expressly so made in writing by Landlord expressly waiving such provision. Landlord shall be entitled, to the extent permitted by law, to seek injunctive relief in case of the violation, or attempted or threatened violation, of any provision of this Lease, or to seek a decree compelling observance or performance of any provision of this Lease, or to seek any other legal or equitable remedy.

22. **Assignment and Subletting**.

(a) **General Prohibition**. Without Landlord's prior written consent subject to and on the conditions described in this Section 22, Tenant shall not, directly or indirectly, voluntarily or by operation of law, assign this Lease or sublease the Premises or any part thereof or mortgage, pledge, or hypothecate its leasehold interest or grant any concession or license within the Premises, and any attempt to do any of the foregoing shall be void and of no effect. If Tenant is a corporation, partnership or limited liability company, the shares or other ownership interests thereof that are not actively traded upon a stock exchange or in the over-the-counter market, a transfer or series of transfers whereby 25% or more of the issued and outstanding shares or other ownership interests of such corporation are, or voting control is, transferred (but excepting transfers upon deaths of individual owners) from a person or persons or entity or entities that were owners thereof at time of execution of this Lease to persons or entities who were not owners of shares or other ownership interests of the corporation, partnership or limited liability company at time of execution of this Lease, shall be deemed an assignment of this Lease requiring the consent of Landlord as provided in this Section 22. Notwithstanding the foregoing, Tenant shall have the right to obtain financing from institutional investors (including venture capital funding and corporate partners) which regularly invest in private biotechnology companies or undergo a public offering which results in a change in control of Tenant without such change of control constituting an assignment under this Section 22 requiring Landlord consent, provided that (i) Tenant notifies Landlord in writing of the financing at least 5 business days prior to the closing of the financing, and (ii) provided that in no event shall such financing result in a change in use of the Premises from the use contemplated by Tenant at the commencement of the Term.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

(b) **Permitted Transfers**. If Tenant desires to assign, sublease, hypothecate or otherwise transfer this Lease or sublet the Premises other than pursuant to a Permitted Assignment (as defined below), then at least 15 business days, but not more than 60 business days, before the date Tenant desires the assignment or sublease to be effective (the "**Assignment Date**"), Tenant shall give Landlord a notice (the "**Assignment Notice**") containing such information about the proposed assignee or sublessee, including the proposed use of the Premises and any Hazardous Materials proposed to be used, stored handled, treated, generated in or released or disposed of from the Premises, the Assignment Date, any relationship between Tenant and the proposed assignee or sublessee, and all material terms and conditions of the proposed assignment or sublease, including a copy of any proposed assignment or sublease in its final form, and such other information as Landlord may deem reasonably necessary or appropriate to its consideration whether to grant its consent. Landlord may, by giving written notice to Tenant within 15 business days after receipt of the Assignment Notice: (i) grant such consent, (ii) refuse such consent, in its reasonable discretion; or (iii) with respect to any proposed assignment or transfer of this Lease, or with respect to any proposed subletting for substantially the remainder of the Term of more than 50% of the Premises, terminate this Lease with respect to the space described in the Assignment Notice as of the Assignment Date (an "**Assignment Termination**"). Among other reasons, it shall be reasonable for Landlord to withhold its consent in any of these instances: (1) the proposed assignee or subtenant is a governmental agency; (2) in Landlord's reasonable judgment, the use of the Premises by the proposed assignee or subtenant would entail any alterations that would lessen the value of the leasehold improvements in the Premises, or would require increased services by Landlord; (3) in Landlord's reasonable judgment, the proposed assignee or subtenant is engaged in areas of scientific research or other business concerns that are controversial; (4) in Landlord's reasonable judgment, the proposed assignee or subtenant lacks the creditworthiness to support the financial obligations it will incur under the proposed assignment or sublease**;** (5) in Landlord's reasonable judgment, the character, reputation, or business of the proposed assignee or subtenant is inconsistent with the desired tenant-mix or the quality of other tenancies in the Project or is inconsistent with the type and quality of the nature of the Building; (6) Landlord or an affiliate of Landlord has received from any prior landlord to the proposed assignee or subtenant a negative report concerning such prior landlord's experience with the proposed assignee or subtenant; (7) Landlord or an affiliate of Landlord has experienced previous defaults by or is in litigation with the proposed assignee or subtenant; (8) the use of the Premises by the proposed assignee or subtenant will violate any applicable Legal Requirement; (9) the proposed assignee or subtenant, or any entity that, directly or indirectly, controls, is controlled by, or is under common control with the proposed assignee or subtenant, is then an occupant of the Project; (10) the proposed assignee or subtenant is an entity with whom Landlord is then negotiating to lease space in the Project; or (11) the assignment or sublease is prohibited by the Holder of a Mortgage encumbering all or a portion of the Project. If Landlord delivers notice of its election to exercise an Assignment Termination, Tenant shall have the right to withdraw such Assignment Notice by written notice to Landlord of such election within 5 business days after Landlord's notice electing to exercise the Assignment Termination. If Tenant withdraws such Assignment Notice, this Lease shall continue in full force and effect. If Tenant does not withdraw such Assignment Notice, this Lease, and the term and estate herein granted, shall terminate as of the Assignment Date with respect to the space described in such Assignment Notice. No failure of Landlord to exercise any such option to terminate this Lease, or to deliver a timely notice in response to the Assignment Notice, shall be deemed to be Landlord's consent to the proposed assignment, sublease or other transfer. Tenant shall pay to Landlord a fee equal to Two Thousand Five Hundred Dollars ($2,500) in connection with its consideration of any Assignment Notice and/or its preparation or review of any consent documents. Notwithstanding the foregoing, Landlord's consent to an assignment of this Lease or a subletting of any portion of the Premises to any entity controlling, controlled by or under common control with Tenant (a "**Control Permitted Assignment**") shall not be required, provided that Tenant and any assignee or sublessee shall execute a reasonable form of acknowledgment of assignment or sublease, as applicable, acceptable to Landlord on or before the effective date of the Control Permitted Assignment. In addition, Tenant shall have the right to assign this Lease, upon 30 days prior written notice to Landlord but without obtaining Landlord's prior written consent, to a corporation or other entity which is a successor-in-interest to Tenant, by way of merger, consolidation or corporate reorganization, or by the purchase of all or substantially all of the assets or the ownership interests of Tenant provided that (i) such merger or consolidation, or such acquisition or assumption, as the case may be, is for a good business purpose and not principally for the purpose of transferring this Lease, and (ii) the net worth (as determined in accordance with generally accepted accounting principles ("**GAAP**")) of the assignee is not less than the greater of the net worth (as determined in accordance with GAAP) of Tenant as of (A) the Commencement Date, or (B) as of the date of Tenant's most current quarterly or annual financial statements, and (iii) if the then-current Tenant is not the surviving entity, then on or before the effective date of the Corporate Permitted Assignment, Tenant and the assignee shall execute a reasonable form of acknowledgment of assignment acceptable to Landlord pursuant to which, among other things, such assignee shall agree to assume all of the terms, covenants and conditions of this Lease, and the assignee shall deliver a certificate of insurance to Landlord satisfying the Tenant's insurance requirements under Section 17 (a "**Corporate Permitted Assignment**"). Control Permitted Assignments and Corporate Permitted Assignments are hereinafter referred to as "**Permitted Assignments**."

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

(c) **Additional Conditions**. As a condition to any such assignment or subletting, whether or not Landlord's consent is required, Landlord may require:

(i) that any assignee or subtenant agree, in writing at the time of such assignment or subletting, that if Landlord gives such party notice that Tenant is in default under this Lease, such party shall thereafter make all payments otherwise due Tenant directly to Landlord, which payments will be received by Landlord without any liability except to credit such payment against those due under this Lease, and any such third party shall agree to attorn to Landlord or its successors and assigns should this Lease be terminated for any reason; provided, however, in no event shall Landlord or its successors or assigns be obligated to accept such attornment; and

(ii) A list of Hazardous Materials, certified by the proposed assignee or sublessee to be true and correct, which the proposed assignee or sublessee intends to use, store, handle, treat, generate in or release or dispose of from the Premises, together with copies of all documents relating to such use, storage, handling, treatment, generation, release or disposal of Hazardous Materials by the proposed assignee or subtenant in the Premises or on the Project, prior to the proposed assignment or subletting, including, without limitation: permits; approvals; reports and correspondence; storage and management plans; plans relating to the installation of any storage tanks to be installed in or under the Project (provided, said installation of tanks shall only be permitted after Landlord has given its written consent to do so, which consent may be withheld in Landlord's sole and absolute discretion); and all closure plans or any other documents required by any and all federal, state and local Governmental Authorities for any storage tanks installed in, on or under the Project for the closure of any such tanks. Neither Tenant nor any such proposed assignee or subtenant is required, however, to provide Landlord with any portion(s) of the such documents containing information of a proprietary nature which, in and of themselves, do not contain a reference to any Hazardous Materials or hazardous activities.

(d) **No Release of Tenant, Sharing of Excess Rents**. Notwithstanding any assignment or subletting, Tenant and any guarantor or surety of Tenant's obligations under this Lease shall at all times remain fully and primarily responsible and liable for the payment of Rent and for compliance with all of Tenant's other obligations under this Lease. If the rent due and payable by a sublessee or assignee (or a combination of the rental payable under such sublease or assignment plus any bonus or other consideration therefor or incident thereto in any form) exceeds the sum of the Base Rent and Operating Expenses payable under this Lease with respect to the applicable portion of the Premises (excluding however, any Rent payable under this Section) and the design and construction of improvements, reasonable and customary brokerage fees, reasonable legal costs, and reasonable rent abatement periods (collectively, the "**Sublease/Assignment Costs**") directly related to and required pursuant to the terms of any such sublease or assignment ("**Excess Rents**"), then Tenant shall be bound and obligated to pay Landlord as Additional Rent hereunder 50% of such Excess Rent within 10 business days following receipt thereof by Tenant. For the purpose of calculating Excess Rents, the Sublease Assignment Costs shall be amortized on a straight-lined basis over the term of the applicable sublease or assignment. If Tenant shall sublet the Premises or any part thereof, Tenant hereby immediately and irrevocably assigns to Landlord, as security for Tenant's obligations under this Lease, all rent from any such subletting, and Landlord or a receiver for Tenant appointed on Landlord's application, may collect such rent and apply it toward Tenant's obligations under this Lease; except that, until the occurrence of a Default, Tenant shall have the right to collect such rent.

(e) **No Waiver**. The consent by Landlord to an assignment or subletting shall not relieve Tenant or any assignees of this Lease or any sublessees of the Premises from obtaining the consent of Landlord to any further assignment or subletting nor shall it release Tenant or any assignee or sublessee of Tenant from full and primary liability under this Lease. The acceptance of Rent hereunder, or the acceptance of performance of any other term, covenant, or condition thereof, from any other person or entity shall not be deemed to be a waiver of any of the provisions of this Lease or a consent to any subletting, assignment or other transfer of the Premises.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

(f) **Prior Conduct of Proposed Transferee**. Notwithstanding any other provision of this Section 22, if (i) the proposed assignee or sublessee of Tenant has been required by any prior landlord, lender or Governmental Authority to take remedial action in connection with Hazardous Materials contaminating a property, where the contamination resulted from such party's action or use of the property in question, (ii) the proposed assignee or sublessee is subject to an enforcement order issued by any Governmental Authority in connection with the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials (including, without limitation, any order related to the failure to make a required reporting to any Governmental Authority), or (iii) because of the existence of a pre-existing environmental condition in the vicinity of or underlying the Project, the risk that Landlord would be targeted as a responsible party in connection with the remediation of such pre-existing environmental condition would be materially increased or exacerbated by the proposed use of Hazardous Materials by such proposed assignee or sublessee, Landlord shall have the absolute right to refuse to consent to any assignment or subletting to any such party.

23. **Estoppel Certificate**. Tenant shall, within 10 business days of written notice from Landlord, execute, acknowledge and deliver a statement in writing in any form reasonably requested by a proposed lender or purchaser, (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect) and the dates to which the rental and other charges are paid in advance, if any, (ii) acknowledging that, to Tenant's actual knowledge, there are not any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed, and (iii) setting forth such further information with respect to the status of this Lease or the Premises as may be reasonably requested thereon. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part. Tenant's failure to deliver such statement within 5 business days after Tenant's receipt of a second written notice from Landlord shall, at the option of Landlord, constitute a Default under this Lease, and, in any event, shall be conclusive upon Tenant that this Lease is in full force and effect and without modification except as may be represented by Landlord in any certificate prepared by Landlord and delivered to Tenant for execution.

24. **Quiet Enjoyment**. So long as Tenant is not in Default under this Lease, Tenant shall, subject to the terms of this Lease, at all times during the Term, have peaceful and quiet enjoyment of the Premises against any person claiming by, through or under Landlord.

25. **Prorations**. All prorations required or permitted to be made hereunder shall be made on the basis of a 360 day year and 30 day months.

26. **Rules and Regulations**. Tenant shall, at all times during the Term and any extension thereof, comply with all reasonable rules and regulations at any time or from time to time established by Landlord covering use of the Premises and the Project. Such rules and regulations may include, without limitation, rules and regulations relating to the use of the Project Amenities and/or rules and regulations which are intended to encourage social distancing, promote and protect health and physical well-being within the Building and the Project and/or intended to limit the spread of communicable diseases and/or viruses of any kind or nature that are more virulent than the seasonal flu (collectively, "**Infectious Conditions**"). The current rules and regulations are attached hereto as **Exhibit E**. If there is any conflict between such rules and regulations and other provisions of this Lease, the terms and provisions of this Lease shall control. Landlord shall not have any liability or obligation for the breach of any rules or regulations by other tenants in the Project and shall not enforce such rules and regulations in a discriminatory manner.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

27. **Subordination**. This Lease and Tenant's interest and rights hereunder are hereby made and shall be subject and subordinate at all times to the lien of any Mortgage now existing or hereafter created on or against the Project or the Premises, and all amendments, restatements, renewals, modifications, consolidations, refinancing, assignments and extensions thereof, without the necessity of any further instrument or act on the part of Tenant; provided, however that so long as there is no Default pursuant to the provisions of Section 20 hereof, Tenant's right to possession of the Premises shall not be disturbed by the Holder of any such Mortgage. Tenant agrees, at the election of the Holder of any such Mortgage, to attorn to any such Holder. Tenant agrees within 10 business days after the delivery to Tenant of a written request therefor, to execute, acknowledge and deliver such commercially reasonable instruments, confirming such subordination, and such instruments of attornment as shall be requested by any such Holder, provided any such instruments contain appropriate non-disturbance provisions assuring Tenant's quiet enjoyment of the Premises as set forth in Section 24 hereof. Tenant's failure to deliver such statement within 5 business days after Tenant's receipt of a second written request shall, at the option of Landlord, constitute a Default under this Lease. Notwithstanding the foregoing, any such Holder may at any time subordinate its Mortgage to this Lease, without Tenant's consent, by notice in writing to Tenant, and thereupon this Lease shall be deemed prior to such Mortgage without regard to their respective dates of execution, delivery or recording and in that event such Holder shall have the same rights with respect to this Lease as though this Lease had been executed prior to the execution, delivery and recording of such Mortgage and had been assigned to such Holder. The term "**Mortgage**" whenever used in this Lease shall be deemed to include deeds of trust, security assignments and any other encumbrances, and any reference to the "**Holder**" of a Mortgage shall be deemed to include the beneficiary under a deed of trust.

28. **Surrender**. Upon the expiration of the Term or earlier termination of Tenant's right of possession, Tenant shall surrender the Premises to Landlord in broom swept and clean condition (a) in substantially the same in the same condition the Premises is in following the Substantial Completion of the Tenant Improvements (except for any Alterations or Installations permitted by Landlord to remain in the Premises pursuant to Section 12), subject to ordinary wear and tear and casualty loss and condemnation covered by Sections 18 and 19, (b) with all wires, cables or similar equipment which Tenant has installed in the Premises or in the risers or plenums of the Building removed, (c) free of Hazardous Materials brought upon, kept, used, stored, handled, treated, generated in, or released or disposed of from, the Premises by any person other than Landlord or any of Landlord's employees, agents and contractors (collectively, "**Tenant HazMat Operations**"), and (d) released of all Hazardous Materials Clearances. At least 3 months prior to the surrender of the Premises or such earlier date as Tenant may elect to cease operations at the Premises, Tenant shall deliver to Landlord a narrative description of the actions proposed (or required by any Governmental Authority) to be taken by Tenant in order to surrender the Premises (including any Installations permitted by Landlord to remain in the Premises) at the expiration or earlier termination of the Term, free from any residual impact from the Tenant HazMat Operations and otherwise released for unrestricted use and occupancy (the "**Decommissioning and HazMat Closure Plan**"). Such Decommissioning and HazMat Closure Plan shall be accompanied by a current listing of (i) all Hazardous Materials licenses and permits held by or on behalf of any Tenant Party with respect to the Premises, and (ii) all Hazardous Materials used, stored, handled, treated, generated, released or disposed of from the Premises, and shall be subject to the review and approval of Landlord's environmental consultant. In connection with the review and approval of the Decommissioning and HazMat Closure Plan, upon the request of Landlord, Tenant shall deliver to Landlord or its consultant such additional non-proprietary information concerning Tenant HazMat Operations as Landlord shall reasonably request. On or before such surrender, Tenant shall deliver to Landlord evidence that the approved Decommissioning and HazMat Closure Plan shall have been satisfactorily completed and Landlord shall have the right to cause Landlord's environmental consultant to inspect the Premises and perform such additional procedures as may be deemed reasonably necessary to confirm that the Premises are, as of the effective date of such surrender or early termination of this Lease, free from any residual impact from Tenant HazMat Operations. Tenant shall pay a fee to Landlord in the amount of $5,000 for the review of the Decommissioning and HazMat Closure Plan and Tenant's implementation of the same by Landlord's environmental consultant. Landlord shall have the unrestricted right to deliver such Decommissioning and HazMat Closure Plan and any report by Landlord's environmental consultant with respect to the surrender of the Premises to third parties.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

If Tenant shall fail to prepare or submit a Decommissioning and HazMat Closure Plan approved by Landlord, or if Tenant shall fail to complete the approved Decommissioning and HazMat Closure Plan, or if such Decommissioning and HazMat Closure Plan, whether or not approved by Landlord, shall fail to adequately address any residual effect of Tenant HazMat Operations in, on or about the Premises, Landlord shall have the right to take such actions as Landlord may deem reasonable or appropriate to assure that the Premises and the Project are surrendered free from any residual impact from Tenant HazMat Operations, the cost of which actions shall be reimbursed by Tenant as Additional Rent, without regard to the limitation set forth in the first paragraph of this Section 28.

Upon the expiration or earlier termination of the Term, Tenant shall immediately return to Landlord all keys and/or access cards to parking, the Project, restrooms or all or any portion of the Premises furnished to or otherwise procured by Tenant. Any Tenant's Property, Alterations and property not so removed by Tenant as permitted or required herein shall be deemed abandoned and may be stored, removed, and disposed of by Landlord at Tenant's expense, and Tenant waives all claims against Landlord for any damages resulting from Landlord's retention and/or disposition of such property. All obligations of Tenant hereunder not fully performed as of the termination of the Term, including the obligations of Tenant under Section 30 hereof, shall survive the expiration or earlier termination of the Term, including, without limitation, indemnity obligations, payment obligations with respect to Rent and obligations concerning the condition and repair of the Premises.

29. **Waiver of Jury Trial**. TO THE EXTENT PERMITTED BY LAW, TENANT AND LANDLORD WAIVE ANY RIGHT TO TRIAL BY JURY OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN LANDLORD AND TENANT ARISING OUT OF THIS LEASE OR ANY OTHER INSTRUMENT, DOCUMENT, OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED HERETO.

30. **Environmental Requirements**.

(a) **Prohibition/Compliance/Indemnity**. Tenant shall not cause or permit any Hazardous Materials (as hereinafter defined) to be brought upon, kept, used, stored, handled, treated, generated in or about, or released or disposed of from, the Premises, the Building, the Property or the Project in violation of applicable Environmental Requirements (as hereinafter defined) by Tenant or any Tenant Party. If Tenant breaches the obligation stated in the preceding sentence, or if the presence of Hazardous Materials in the Premises during the Term or any holding over results in contamination of the Premises, the Building, the Property or the Project or any adjacent property or if contamination of the Premises, the Building, the Property or the Project or any adjacent property by Hazardous Materials brought into, kept, used, stored, handled, treated, generated in or about, or released or disposed of from, the Premises by anyone other than Landlord and Landlord's employees, agents and contractors otherwise occurs during the Term or any holding over, Tenant hereby indemnifies and shall defend and hold Landlord, its officers, directors, employees, agents and contractors harmless from any and all actions (including, without limitation, remedial or enforcement actions of any kind, administrative or judicial proceedings, and orders or judgments arising out of or resulting therefrom), costs, claims, damages (including, without limitation, punitive damages and damages based upon diminution in value of the Premises or the Project, or the loss of, or restriction on, use of the Premises or any portion of the Project), expenses (including, without limitation, reasonable attorneys', consultants' and experts' fees, court costs and amounts paid in settlement of any claims or actions), fines, forfeitures or other civil, administrative or criminal penalties, injunctive or other relief (whether or not based upon personal injury, property damage, or contamination of, or adverse effects upon, the environment, water tables or natural resources), liabilities or losses which arise during or after the Term as a result of such contamination. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, treatment, remedial, removal, or restoration work required by any federal, state or local Governmental Authority because of Hazardous Materials present in the air, soil or ground water above, on, or under the Premises. Without limiting the foregoing, if the presence of any Hazardous Materials on the Premises, the Building, the Property, the Project or any adjacent property caused or permitted by Tenant or any Tenant Party results in any contamination of the Premises, the Building, the Property, the Project or any adjacent property, Tenant shall promptly take all actions at its sole expense and in accordance with applicable Environmental Requirements as are necessary to return the Premises, the Building, the Property, the Project or any adjacent property to the condition existing prior to the time of such contamination, provided that Landlord's approval of such action shall first be obtained, which approval shall not unreasonably be withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises, the Building or the Project. Notwithstanding anything to the contrary contained in Section 28 or this Section 30, Tenant shall not be responsible for, and the indemnification and hold harmless obligation set forth in this paragraph shall not apply to (i) contamination in the Premises which Tenant can prove existed in the Premises immediately prior to the Commencement Date, (ii) the presence of any Hazardous Materials in the Premises which Tenant can prove migrated from outside of the Premises into the Premises, or (iii) caused by Landlord or any Landlord's employees, agents and contractors, unless in any case, the presence of such Hazardous Materials (x) is the result of a breach by Tenant of any of its obligations under this Lease, or (y) was caused, contributed to or exacerbated by Tenant or any Tenant Party.

ALEXANDRIA

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

(b) **Business**. Landlord acknowledges that it is not the intent of this Section 30 to prohibit Tenant from using the Premises for the Permitted Use. Tenant may operate its business according to prudent industry practices so long as the use or presence of Hazardous Materials is strictly and properly monitored according to all then applicable Environmental Requirements. As a material inducement to Landlord to allow Tenant to use Hazardous Materials in connection with its business, Tenant agrees to deliver to Landlord prior to the Commencement Date a list identifying each type of Hazardous Materials to be brought upon, kept, used, stored, handled, treated, generated on, or released or disposed of from, the Premises and setting forth any and all governmental approvals or permits required in connection with the presence, use, storage, handling, treatment, generation, release or disposal of such Hazardous Materials on or from the Premises ("**Hazardous Materials List**"). Upon Landlord's request (but not more than once per calendar year), or any time that Tenant is required to deliver a Hazardous Materials List to any Governmental Authority (e.g., the fire department) in connection with Tenant's use or occupancy of the Premises, Tenant shall deliver to Landlord (i) an updated Hazardous Materials List in response to Landlord's request, or (ii) a copy of any Hazardous Materials List delivered to any Governmental Authority, as applicable. Tenant shall deliver to Landlord true and correct copies of the following documents (the "**Haz Mat Documents**") relating to the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials prior to the Commencement Date, or if unavailable at that time, concurrent with the receipt from or submission to a Governmental Authority: permits; approvals; reports and correspondence; storage and management plans, written notice of violations of any applicable Legal Requirements; plans relating to the installation of any storage tanks to be installed in or under the Project (provided, said installation of tanks shall only be permitted after Landlord has given Tenant its written consent to do so, which consent may be withheld in Landlord's sole and absolute discretion); and all closure plans or any other documents required by any and all federal, state and local Governmental Authorities for any storage tanks installed in, on or under the Project for the closure of any such tanks. Tenant is not required, however, to provide Landlord with any portion(s) of the Haz Mat Documents containing information of a proprietary nature which, in and of themselves, do not contain a reference to any Hazardous Materials or hazardous activities. It is not the intent of this Section to provide Landlord with information which could be detrimental to Tenant's business should such information become possessed by Tenant's competitors.

(c) **Tenant Representation and Warranty**. Tenant hereby represents and warrants to Landlord that (i) neither Tenant nor any of its legal predecessors has been required by any prior landlord, lender or Governmental Authority at any time to take remedial action in connection with Hazardous Materials contaminating a property which contamination was permitted by Tenant or such predecessor or resulted from Tenant's or such predecessor's action or use of the property in question, and (ii) Tenant is not subject to any enforcement order issued by any Governmental Authority in connection with the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials (including, without limitation, any order related to the failure to make a required reporting to any Governmental Authority). If Landlord determines that this representation and warranty was not true as of the date of this lease, Landlord shall have the right to terminate this Lease in Landlord's sole and absolute discretion.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

(d) **Testing**. Landlord shall have the right to conduct annual tests of the Premises to determine whether any contamination of the Premises, Building, Property or Project has occurred as a result of Tenant's use. Tenant shall be required to pay the cost of such annual test of the Premises if there is violation of this Section 30 or if contamination for which Tenant is responsible under this Section 30 is identified; provided, however, that if Tenant conducts its own tests of the Premises using third party contractors and test procedures acceptable to Landlord which tests are certified to Landlord, Landlord shall accept such tests in lieu of the annual tests to be paid for by Tenant. In addition, at any time, and from time to time, prior to the expiration or earlier termination of the Term, Landlord shall have the right to conduct appropriate tests of the Premises, the Building, the Property and the Project to determine if contamination has occurred as a result of Tenant's use of the Premises. In connection with such testing, upon the request of Landlord, Tenant shall deliver to Landlord or its consultant such non-proprietary information concerning the use of Hazardous Materials in or about the Premises by Tenant or any Tenant Party. If contamination has occurred for which Tenant is liable under this Section 30, Tenant shall pay all costs to conduct such tests. If no such contamination is found, Landlord shall pay the costs of such tests (which shall not constitute an Operating Expense). Landlord shall provide Tenant with a copy of all third party, non-confidential reports and tests of the Premises made by or on behalf of Landlord during the Term without representation or warranty and subject to a confidentiality agreement. Tenant shall, at its sole cost and expense, promptly and satisfactorily remediate any environmental conditions identified by such testing for which Tenant is responsible under this Section 30 in accordance with all Environmental Requirements. Landlord's receipt of or satisfaction with any environmental assessment in no way waives any rights that Landlord may have against Tenant.

(e) **Control Areas**. Tenant shall be allowed to utilize the Hazardous Materials inventory within the control area or zone (located within the Premises), as designated by the applicable building code, for chemical use or storage, as shown on **Exhibit H**.

(f) **Storage Tanks**. If storage tanks storing Hazardous Materials located on the Premises, the Building, the Property or the Project are used by Tenant or are hereafter placed on the Premises, the Building, the Property or the Project by Tenant, Tenant shall install, use, monitor, operate, maintain, upgrade and manage such storage tanks, maintain appropriate records, obtain and maintain appropriate insurance, implement reporting procedures, properly close any storage tanks, and take or cause to be taken all other actions necessary or required under applicable state and federal Legal Requirements, as such now exists or may hereafter be adopted or amended in connection with the installation, use, maintenance, management, operation, upgrading and closure of such storage tanks. Notwithstanding anything to the contrary contained herein, Tenant shall have no right to use or install any underground storage tanks at the Project.

(g) **Tenant's Obligations**. Tenant's obligations under this Section 30 shall survive the expiration or earlier termination of the Lease. During any period of time after the expiration or earlier termination of this Lease required by Tenant or Landlord to complete the removal from the Premises of any Hazardous Materials (including, without limitation, the release and termination of any licenses or permits restricting the use of the Premises and the completion of the approved Decommissioning and HazMat Closure Plan), Tenant shall continue to pay the full Rent in accordance with this Lease for any portion of the Premises not relet by Landlord in Landlord's sole discretion, which Rent shall be prorated daily.

(h) **Definitions**. As used herein, the term "**Environmental Requirements**" means all applicable present and future statutes, regulations, ordinances, rules, codes, judgments, orders or other similar enactments of any Governmental Authority regulating or relating to health, safety, or environmental conditions on, under, or about the Premises, the Building, the Property or the Project, or the environment, including without limitation, the following: the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; and all state and local counterparts thereto, and any regulations or policies promulgated or issued thereunder. As used herein, the term "**Hazardous Materials**" means and includes any substance, material, waste, pollutant, or contaminant listed or defined as hazardous or toxic, or regulated by reason of its impact or potential impact on humans, animals and/or the environment under any Environmental Requirements, asbestos and petroleum, including crude oil or any fraction thereof, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas). As defined in Environmental Requirements, Tenant is and shall be deemed to be the "**operator**" of Tenant's "**facility**" and the "**owner**" of all Hazardous Materials brought on the Premises by Tenant or any Tenant Party, and the wastes, by-products, or residues generated, resulting, or produced therefrom.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary - Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

31. **Tenant's Remedies/Limitation of Liability**. Landlord shall not be in default hereunder unless Landlord fails to perform any of its obligations hereunder within 30 days after written notice from Tenant specifying such failure (unless such performance will, due to the nature of the obligation, require a period of time in excess of 30 days, then after such period of time as is reasonably necessary). Upon any default by Landlord, Tenant shall give notice by registered or certified mail to any Holder of a Mortgage covering the Premises and to any landlord of any lease of property in or on which the Premises are located and Tenant shall offer such Holder and/or landlord a reasonable opportunity to cure the default, including time to obtain possession of the Project by power of sale or a judicial action if such should prove necessary to effect a cure; provided Landlord shall have furnished to Tenant in writing the names and addresses of all such persons who are to receive such notices. All obligations of Landlord hereunder shall be construed as covenants, not conditions; and, except as may be otherwise expressly provided in this Lease, Tenant may not terminate this Lease for breach of Landlord's obligations hereunder.

Notwithstanding the foregoing, if any claimed Landlord default hereunder will immediately, materially and adversely affect Tenant's ability to conduct its business in the Premises (a "**Material Landlord Default**"), Tenant shall, as soon as reasonably practicable, but in any event within 3 business days of obtaining knowledge of such claimed Material Landlord Default, give Landlord written notice of such claim which notice shall specifically state that a Material Landlord Default exists and provide telephonic notice to Tenant's principal contact with Landlord. Landlord shall then have 2 business days to commence cure of such claimed Material Landlord Default and shall diligently prosecute such cure to completion. If such claimed Material Landlord Default is not a default by Landlord hereunder, Landlord shall be entitled to recover from Tenant, as Additional Rent, any costs incurred by Landlord in connection with such cure in excess of the costs, if any, that Landlord would otherwise have been liable to pay hereunder. If Landlord fails to commence to cure any claimed Material Landlord Default as provided above, Tenant may commence and prosecute such cure to completion provided that it does not affect any Building Systems affecting other tenants, the Building structure or Common Areas, and shall be entitled to recover the reasonable costs of such cure (but not any consequential or other damages) from Landlord by way of reimbursement from Landlord with no right to offset against Rent, to the extent of Landlord's obligation to cure such claimed Material Landlord Default hereunder, subject to the limitations set forth in the immediately preceding sentence of this paragraph and the other provisions of this Lease.

All obligations of Landlord under this Lease will be binding upon Landlord only during the period of its ownership of the Premises and not thereafter. The term "**Landlord**" in this Lease shall mean only the owner for the time being of the Premises. Upon the transfer by such owner of its interest in the Premises, such owner shall thereupon be released and discharged from all obligations of Landlord thereafter accruing, but such obligations shall be binding during the Term upon each new owner for the duration of such owner's ownership.

32. **Inspection and Access**. Landlord and its agents, representatives, and contractors may enter the Premises during business hours on not less than 48 hours advance written notice (except in the case of emergencies in which case no such notice shall be required and such entry may be at any time) for the purpose of effecting any such repairs, inspecting the Premises, showing the Premises to prospective purchasers and, during the last 12 months of the Term, to prospective tenants or for any other business purpose. Landlord shall use commercially reasonable efforts to minimize interference with Tenant's operations in the Premises in connection with its entry into the Premises under this Section 32. Landlord may grant easements, make public dedications, designate Common Areas and create restrictions on or about the Premises, the Building the Property and the Project, provided that no such easement, dedication, designation or restriction materially, adversely affects Tenant's use or occupancy of the Premises for the Permitted Use. At Landlord's request, Tenant shall execute such instruments as may be reasonably necessary for such easements, dedications or restrictions. Tenant shall at all times, except in the case of emergencies, have the right to escort Landlord or its agents, representatives, contractors or guests while the same are in the Premises, provided such escort does not materially and adversely affect Landlord's access rights hereunder.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

33. **Security**. Tenant acknowledges and agrees that security devices and services, if any, while intended to deter crime may not in given instances prevent theft or other criminal acts and that Landlord is not providing any security services with respect to the Premises. Tenant agrees that Landlord shall not be liable to Tenant for, and Tenant waives any claim against Landlord with respect to, any loss by theft or any other damage suffered or incurred by Tenant in connection with any unauthorized entry into the Premises or any other breach of security with respect to the Premises. Tenant shall be solely responsible for the personal safety of Tenant's officers, employees, agents, contractors, guests and invitees while any such person is in, on or about the Premises and/or the Project. Tenant shall at Tenant's cost obtain insurance coverage to the extent Tenant desires protection against such criminal acts.

Subject to the terms of this Lease including, without limitation, Section 12, Tenant, at Tenant's sole cost and expense, shall have the right to install and maintain a card access system at all access points to the Premises ("**Tenant's Card Access System**"), subject to the following conditions: (i) Tenant's plans and specifications for the proposed Tenant's Card Access System shall be subject to Landlord's prior written approval, which approval will not be unreasonably withheld; provided, however, that Tenant shall coordinate the installation and operation of Tenant's Card Access System with Landlord to assure that Tenant's Card Access System may be compatible with the Building's master systems and equipment; (ii) Landlord shall be provided with keys, codes and/or access cards, as applicable, and means of immediate access to fully exercise all of its entry rights under this Lease with respect to the Premises; and (iii) Tenant shall keep Tenant's Card Access System in good operating condition and repair and Tenant shall be solely responsible, at Tenant's sole cost and expense, for the monitoring, operation and removal of Tenant's Card Access System. Upon the expiration or earlier termination of this Lease, Tenant shall not be required to remove Tenant's Card Access System. Notwithstanding anything to the contrary, neither Landlord nor any Landlord Indemnified Parties shall be directly or indirectly liable to Tenant, any Tenant Parties or any other person and Tenant hereby waives any and all claims against and releases Landlord and the Landlord Indemnified Parties from any and all claims arising as a consequence of or related to Tenant's Card Access System, or the failure thereof.

34. **Force Majeure**. Except for the payment of Rent, neither Landlord nor Tenant shall be held responsible or liable for delays in the performance of its obligations hereunder when caused by, related to, or arising out of acts of God, sinkholes or subsidence, strikes, lockouts, or other labor disputes, embargoes, quarantines, weather, national, regional, or local disasters, calamities, or catastrophes, inability to obtain labor or materials (or reasonable substitutes therefor) at reasonable costs or failure of, or inability to obtain, utilities necessary for performance, governmental restrictions, orders, limitations, regulations, or controls, national emergencies, local, regional or national epidemic or pandemic, delay in issuance or revocation of permits, enemy or hostile governmental action, terrorism, insurrection, riots, civil disturbance or commotion, cyberattacks, ransomware attacks and similar events, fire or other casualty, and other causes or events beyond their reasonable control ("**Force Majeure**").

35. **Brokers**. Landlord and Tenant each represents and warrants that it has not dealt with any broker, agent or other person (collectively, "**Broker**") in connection with this transaction and that no Broker brought about this transaction, other than Jones Lang LaSalle and Newmark. Landlord and Tenant each hereby agree to indemnify and hold the other harmless from and against any claims by any Broker, other than Jones Lang LaSalle and Newmark, claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this leasing transaction. Landlord shall be responsible for all commissions due to Jones Lang LaSalle and Newmark arising out of the execution of this Lease in accordance with the terms of separate written agreement between Landlord, on the one hand, and Jones Lang LaSalle and Newmark, on the other hand.

36. **Limitation on Landlord's Liability**. NOTWITHSTANDING ANYTHING SET FORTH HEREIN OR IN ANY OTHER AGREEMENT BETWEEN LANDLORD AND TENANT TO THE CONTRARY: (A) LANDLORD SHALL NOT BE LIABLE TO TENANT OR ANY OTHER PERSON FOR (AND TENANT AND EACH SUCH OTHER PERSON ASSUME ALL RISK OF) LOSS, DAMAGE OR INJURY, WHETHER ACTUAL OR CONSEQUENTIAL TO: TENANT'S PERSONAL PROPERTY OF EVERY KIND AND DESCRIPTION, INCLUDING, WITHOUT LIMITATION TRADE FIXTURES, EQUIPMENT, INVENTORY, SCIENTIFIC RESEARCH, SCIENTIFIC EXPERIMENTS, LABORATORY ANIMALS, PRODUCT, SPECIMENS, SAMPLES, AND/OR SCIENTIFIC, BUSINESS, ACCOUNTING AND OTHER RECORDS OF EVERY KIND AND DESCRIPTION KEPT AT THE PREMISES AND ANY AND ALL INCOME DERIVED OR DERIVABLE THEREFROM; (B) THERE SHALL BE NO PERSONAL RECOURSE TO LANDLORD FOR ANY ACT OR OCCURRENCE IN, ON OR ABOUT THE PREMISES OR ARISING IN ANY WAY UNDER THIS LEASE OR ANY OTHER AGREEMENT BETWEEN LANDLORD AND TENANT WITH RESPECT TO THE SUBJECT MATTER HEREOF AND ANY LIABILITY OF LANDLORD HEREUNDER SHALL BE STRICTLY LIMITED SOLELY TO LANDLORD'S INTEREST IN THE PROJECT OR ANY PROCEEDS FROM SALE OR CONDEMNATION THEREOF AND ANY INSURANCE PROCEEDS PAYABLE IN RESPECT OF LANDLORD'S INTEREST IN THE PROJECT OR IN CONNECTION WITH ANY SUCH LOSS; AND (C) IN NO EVENT SHALL ANY PERSONAL LIABILITY BE ASSERTED AGAINST LANDLORD IN CONNECTION WITH THIS LEASE NOR SHALL ANY RECOURSE BE HAD TO ANY OTHER PROPERTY OR ASSETS OF LANDLORD OR ANY OF LANDLORD'S OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES, AGENTS OR CONTRACTORS. UNDER NO CIRCUMSTANCES SHALL LANDLORD OR ANY OF LANDLORD'S OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR CONTRACTORS BE LIABLE FOR INJURY TO TENANT'S BUSINESS OR FOR ANY LOSS OF INCOME OR PROFIT THEREFROM.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

Tenant acknowledges and agrees that measures and/or services implemented at the Project, if any, intended to encourage social distancing, promote and protect health and physical well-being and/or intended to limit the spread of Infectious Conditions, may not prevent the spread of such Infectious Conditions. Neither Landlord nor any Landlord Indemnified Parties shall have any liability and Tenant waives any claims against Landlord and the Landlord Indemnified Parties with respect to any loss, damage or injury in connection with (x) the implementation, or failure of Landlord or any Landlord Indemnified Parties to implement, any measures and/or services at the Project intended to encourage social distancing, promote and protect health and physical well-being and/or intended to limit the spread of Infectious Conditions, or (y) the failure of any measures and/or services implemented at the Project, if any, to limit the spread of any Infectious Conditions.

37. **Severability**. If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby. It is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added, as a part of this Lease, a clause or provision as similar in effect to such illegal, invalid or unenforceable clause or provision as shall be legal, valid and enforceable.

38. **Signs; Exterior Appearance**. Tenant shall not, without the prior written consent of Landlord, which may be granted or withheld in Landlord's sole discretion: (i) attach any awnings, exterior lights, decorations, balloons, flags, pennants, banners, painting or other projection to any outside wall of the Building or the Project, (ii) use any curtains, blinds, shades or screens other than Landlord's standard window coverings, (iii) coat or otherwise sunscreen the interior or exterior of any windows, (iv) place any bottles, parcels, or other articles on the window sills, (v) place any equipment, furniture or other items of personal property on any exterior balcony, or (vi) paint, affix or exhibit on any part of the Premises, the Building, the Property or the Project any signs, notices, window or door lettering, placards, decorations, or advertising media of any type which can be viewed from the exterior of the Premises. Suite entry signage shall be inscribed, painted or affixed for Tenant by Landlord at the sole cost and expense of Landlord, and shall be of a size, color and type acceptable to Landlord and Tenant's name and suite number shall be included on the Building lobby directory. Nothing may be placed on the exterior of corridor walls or corridor doors other than Landlord's standard lettering. The Building lobby directory shall be provided exclusively for the display of the name and location of tenants.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

39. **Right to Expand**.

(a) **Expansion in the Building**. Subject to the rights of existing tenants of the Project and to the terms of this Section 39(a), the first time after the initial leasing of the ROFO Space after the Effective Date to one or more third parties, Tenant shall have a one-time right, but not the obligation, to expand the Premises (the "**Right of First Offer**") to include the ROFO Space upon the terms and conditions in this Section 39. For purposes of this Section 39(a), "**ROFO Space**" shall mean that certain space on the first floor of the Building containing approximately 7,087 rentable square feet, as more particularly described on **Exhibit J**, to the extent such ROFO Space is not occupied by a tenant or is occupied by a then-existing tenant whose lease is expiring within 36 months or less and such tenant does not wish to renew (whether or not such tenant has a right to renew) its occupancy of such space. Subject to the rights of existing tenants of the Project, The first time after the initial leasing of the ROFO Space after the Effective Date to one or more third parties that all or a portion of the ROFO Space will become available, Landlord shall, at such time as Landlord shall elect so long as Tenant's rights hereunder are preserved, deliver to Tenant written notice (the "**ROFO Notice**") of the availability of such ROFO Space, together with the terms and conditions on which Landlord is prepared to lease Tenant such ROFO Space. Tenant shall be required to exercise its right under this Section 39(a) with respect to all of the ROFO Space described in the ROFO Notice (the "**Identified ROFO Space**"). Tenant acknowledges and agrees that the term of this Lease with respect to the ROFO Space may not be co-terminous with the term of this Lease with respect to the then-existing Premises. Notwithstanding anything to the contrary contained herein, in no event shall the Work Letter apply to the ROFO Space. Tenant shall have 15 days following receipt of the ROFO Notice to deliver to Landlord written notification of Tenant's exercise of its Right of First Offer with respect to the Identified ROFO Space ("**Exercise Notice**"). If Tenant does not deliver an Exercise Notice to Landlord within such 15-day period, then Tenant shall be deemed to have waived its rights under this Section 39(a) to lease the Identified ROFO Space, and Landlord shall have the right to lease the Identified ROFO Space to any third party on any terms and conditions acceptable to Landlord.

(b) **Amended Lease**. If Tenant timely delivers an Exercise Notice to Landlord, Landlord shall deliver to Tenant a draft lease amendment for Tenant's lease of the Identified ROFO Space within 15 business days thereafter ("**Lease Amendment**"). If: (i) Tenant fails to timely deliver an Exercise Notice, or (ii) after the expiration of a period of 15 business days after Landlord's delivery to Tenant of a Lease Amendment, no lease amendment for the Identified ROFO Space acceptable to both parties each in their reasonable discretion, has been executed, Tenant shall, notwithstanding anything to the contrary contained herein, be deemed to have forever waived its right to lease such Identified ROFO Space and Landlord shall have the right to lease the Identified ROFO Space to any third party on any terms and conditions acceptable to Landlord.

(c) **Exceptions**. Notwithstanding the above, the Right of First Offer shall, at Landlord's option, not be in effect and may not be exercised by Tenant:

(i) during any period of time that Tenant is in Default pursuant to the provisions of Section 20 of this Lease (beyond any applicable notice and cure periods); or

(ii) during any period that Tenant is occupying less than 100% of the Premises; or

(iii) if Tenant has been in Default under any provision of this Lease 3 or more times, whether or not the Defaults are cured, during the 12 month period immediately prior to the date on which Tenant seeks to exercise its Right of First Offer.

(d) **Termination**. The Right of First Offer shall, at Landlord's option, terminate and be of no further force or effect even after Tenant's due and timely exercise of the Right of First Offer, if, after such exercise, but prior to the commencement date of the lease of the Identified ROFO Space, (i) Tenant fails to timely cure any Default by Tenant under this Lease beyond any applicable notice and cure periods; or (ii) Tenant has Defaulted 3 or more times during the period from the date of the exercise of the Right of First Offer to the date of the commencement of the lease of the Identified ROFO Space, whether or not such Defaults are cured.

(e) **Rights Personal**. The Right of First Offer is personal to Tenant and is not assignable without Landlord's consent, which may be granted or withheld in Landlord's sole discretion separate and apart from any consent by Landlord to an assignment of Tenant's interest in this Lease, except that the Right of First Offer may be assigned in connection with any assignment of this Lease constituting a Permitted Assignment, without Landlord's consent.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

(f) **No Extensions**. The period of time within which Tenant's Right of First Offer may be exercised shall not be extended or enlarged by reason of Tenant's inability to exercise its Right of First Offer.

40. **Right to Extend Term**. Tenant shall have the right to extend the Term of this Lease upon the following terms and conditions:

(a) **Extension Rights**. Only if Tenant exercises its New Lease Termination Right pursuant to Section 41 with respect to only the First Floor Premises and the Penthouse Premises, Tenant shall have 1 right (the "**Extension Right**") to extend the term of this Lease with respect to the Lower Level Premises for 36 months (the "**Extension Term**") on the same terms and conditions as this Lease (other than with respect to Base Rent and the Work Letter) by giving Landlord written notice of its election to exercise each Extension Right at least 12 months prior, and no earlier than 18 months prior, to the expiration of the Base Term of this Lease.

Upon the commencement of any Extension Term, Base Rent shall be payable at the Market Rate (as defined below). Base Rent shall thereafter be adjusted on each annual anniversary of the commencement of such Extension Term by a percentage as determined by Landlord and agreed to by Tenant at the time the Market Rate is determined. As used herein, "**Market Rate**" shall mean the rate that comparable landlords of comparable buildings have accepted in current transactions from non-equity (i.e., not being offered equity in the buildings) and nonaffiliated tenants of similar financial strength for space of comparable size, quality (including all Tenant Improvements, Alterations and other improvements) and floor height in Class A laboratory/office buildings in the East Cambridge submarket of Boston for a comparable term, with the determination of the Market Rate to take into account all relevant factors, including tenant inducements, views, parking costs, leasing commissions, allowances or concessions, if any. In addition, Landlord may impose a market rent for the parking rights provided hereunder.

If, on or before the date which is 270 days prior to the expiration of the Base Term of this Lease, Tenant has not agreed with Landlord's determination of the Market Rate and the rent escalations during the Extension Term after negotiating in good faith, Tenant shall be deemed to have elected arbitration as described in Section 40(b). Tenant acknowledges and agrees that, if Tenant has elected to exercise the Extension Right by delivering notice to Landlord as required in this Section 40(a), Tenant shall have no right thereafter to rescind or elect not to extend the term of this Lease for the Extension Term.

(b) **Arbitration**.

(i) Within 10 days of Tenant's notice to Landlord of its election (or deemed election) to arbitrate Market Rate and escalations, each party shall deliver to the other a proposal containing the Market Rate and escalations that the submitting party believes to be correct ("**Extension Proposal**"). If either party fails to timely submit an Extension Proposal, the other party's submitted proposal shall determine the Base Rent and escalations for the Extension Term. If both parties submit Extension Proposals, then Landlord and Tenant shall meet within 7 days after delivery of the last Extension Proposal and make a good faith attempt to mutually appoint a single Arbitrator (and defined below) to determine the Market Rate and escalations. If Landlord and Tenant are unable to agree upon a single Arbitrator, then each shall, by written notice delivered to the other within 10 days after the meeting, select an Arbitrator. If either party fails to timely give notice of its selection for an Arbitrator, the other party's submitted proposal shall determine the Base Rent for the Extension Term. The 2 Arbitrators so appointed shall, within 5 business days after their appointment, appoint a third Arbitrator. If the 2 Arbitrators so selected cannot agree on the selection of the third Arbitrator within the time above specified, then either party, on behalf of both parties, may request such appointment of such third Arbitrator by application to any state court of general jurisdiction in the jurisdiction in which the Premises are located, upon 10 days prior written notice to the other party of such intent.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

(ii) The decision of the Arbitrator(s) shall be made within 30 days after the appointment of a single Arbitrator or the third Arbitrator, as applicable. The decision of the single Arbitrator shall be final and binding upon the parties. The average of the two closest Arbitrators in a three Arbitrator panel shall be final and binding upon the parties. Each party shall pay the fees and expenses of the Arbitrator appointed by or on behalf of such party and the fees and expenses of the third Arbitrator shall be borne equally by both parties. If the Market Rate and escalations are not determined by the first day of the Extension Term, then Tenant shall pay Landlord Base Rent in an amount equal to the Base Rent in effect immediately prior to the Extension Term and increased by the Rent Adjustment Percentage until such determination is made. After the determination of the Market Rate and escalations, the parties shall make any necessary adjustments to such payments made by Tenant. Landlord and Tenant shall then execute an amendment recognizing the Market Rate and escalations for the Extension Term.

(iii) An "**Arbitrator**" shall be any person appointed by or on behalf of either party or appointed pursuant to the provisions hereof and: (i) shall be (A) a member of the American Institute of Real Estate Appraisers with not less than 10 years of experience in the appraisal of improved office and high tech industrial real estate in the greater Boston area, or (B) a licensed commercial real estate broker with not less than 15 years' experience representing landlords and/or tenants in the leasing of high tech or life sciences space in the greater Boston area, (ii) devoting substantially all of their time to professional appraisal or brokerage work, as applicable, at the time of appointment and (iii) be in all respects impartial and disinterested.

(c) **Rights Personal**. The Extension Right is personal to Tenant and is not assignable without Landlord's consent, which may be granted or withheld in Landlord's sole discretion separate and apart from any consent by Landlord to an assignment of Tenant's interest in this Lease, except that the Extension Right may be assigned in connection with any assignment of this Lease constituting a Permitted Assignment, without Landlord's consent.

(d) **Exceptions**. Notwithstanding anything set forth above to the contrary, the Extension Right shall, at Landlord's option, not be in effect and Tenant may not exercise the Extension Right:

(i) during any period of time that Tenant is in Default pursuant to the provisions of Section 20 of this Lease (beyond any applicable notice and cure periods); or

(ii) during any period that Tenant is occupying less than 100% of the Premises; or

(iii) if Tenant has been in default (beyond any applicable notice and cure periods) under any provision of this Lease 3 or more times, whether or not such defaults have been cured, during the 12 month period prior to the date on which Tenant seeks to exercise its Extension Right.

(e) **No Extensions**. The period of time within which the Extension Right may be exercised shall not be extended or enlarged by reason of Tenant's inability to exercise the Extension Right.

(f) **Termination**. The Extension Right shall, at Landlord's option, terminate and be of no further force or effect even after Tenant's due and timely exercise of the Extension Right, if, after such exercise, but prior to the commencement date of the Extension Term, (i) Tenant fails to timely cure any default by Tenant under this Lease (beyond any applicable notice and cure periods); or (ii) Tenant has defaulted (beyond any applicable notice and cure periods) 3 or more times during the period commencing on the date of the exercise of the Extension Right to the date of the commencement of the Extension Term, whether or not such defaults have been cured.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

41. **Early Termination.** Subject to the provisions of this Section 41, Tenant shall have the one-time right to terminate the Lease (the "**New Lease Termination Right**") with respect to either (a) the entire Premises, or (b) the First Floor Premises and the Penthouse Premises, without payment of a penalty, if, prior to the expiration of the Base Term, Tenant has entered into a new lease ("**New Lease**") with Landlord or an affiliate of Landlord (including properties owned via a joint venture)("**Affiliate**") pursuant to which Tenant shall lease space consisting of at least 40,000 rentable square feet in Cambridge or Boston area ("**New Premises**"), for a term acceptable to Landlord or such Affiliate, as applicable, for such New Premises, and otherwise upon terms and conditions acceptable to Landlord or Affiliate (as applicable) and Tenant, in their respective sole discretion. If Tenant and Landlord or Affiliate (as applicable) enter into a New Lease and Tenant elects to exercise its New Lease Termination Right by delivery of written notice to Landlord (which notice shall identify whether Tenant is electing to exercise its New Lease Termination Right with respect to the entire Premises or only the First Floor Premises and the Penthouse Premises) on or before the mutual execution of the New Lease by Tenant and Landlord or Affiliate (as applicable), then this Lease shall terminate with respect to the applicable portion of the Premises on the date that Tenant commences paying base rent under the New Lease for the New Premises (the "**Early Termination Date**"). If exercises its New Lease Termination Right with respect to only the First Floor Premises and the Penthouse Premises, then Landlord and Tenant shall, within 30 days after Tenant's delivery of its notice to Landlord exercising the New Lease Termination Right, enter into an amendment to reflect the surrender of the First Floor Premises and the Penthouse Premises on the Early Termination Date and the continuation. Tenant acknowledges that nothing contained herein shall obligate Landlord or any Affiliate in any way to enter into a New Lease nor shall anything contained herein be construed to grant to Tenant any option or right to lease any space at another property owned by Landlord or any Affiliate. The New Lease Termination Right set forth in this Section 41 shall only apply so long as Landlord or an Affiliate owns the Project.

42. **Roof Equipment**. Tenant shall have the right at its sole cost and expense, subject to compliance with all Legal Requirements, to install, maintain, and remove on the top of the roof of the Building (based on Tenant's proportionate share of the space available on the roof) in a location designated by Landlord one or more satellite dishes, microwave dishes, communication antennae, or other equipment (all of which having a diameter and height acceptable to Landlord) for the transmission or reception of communication of signals as Tenant may from time to time desire (collectively, the "**Roof Equipment**") on the following terms and conditions:

(a) **Requirements**. Tenant shall submit to Landlord (i) the plans and specifications for the installation of the Roof Equipment, (ii) copies of all required governmental and quasi-governmental permits, licenses, and authorizations that Tenant will and must obtain at its own expense, with the cooperation of Landlord, if necessary for the installation and operation of the Roof Equipment, and (iii) an insurance policy or certificate of insurance evidencing insurance coverage as required by this Lease and any other insurance as reasonably required by Landlord for the installation and operation of the Roof Equipment. Landlord shall not unreasonably withhold or delay its approval for the installation and operation of the Roof Equipment; provided, however, that Landlord may reasonably withhold its approval if the installation or operation of the Roof Equipment (A) may damage the structural integrity of the Building, (B) may void, terminate, or invalidate any applicable roof warranty, (C) may interfere with any service provided by Landlord or any tenant of the Building, (D) may reduce the leasable space in the Building, or (E) is not properly screened from the viewing public.

(b) **No Damage to Roof**. If installation of the Roof Equipment requires Tenant to make any roof cuts or perform any other roofing work, such cuts shall only be made to the roof area of the Building in locations acceptable to Landlord and in the manner designated in writing by Landlord; and any such installation work (including any roof cuts or other roofing work) shall be performed by Tenant, at Tenant's sole cost and expense by a roofing contractor designated by Landlord. If Tenant or its agents shall otherwise cause any damage to the roof during the installation, operation, and removal of the Roof Equipment such damage shall be repaired promptly at Tenant's expense and the roof shall be restored in the same condition it was in before the damage. Landlord shall not charge Tenant Additional Rent for the installation and use of the Roof Equipment. If, however, Landlord's insurance premium or Tax assessment increases as a result of the Roof Equipment, Tenant shall pay such increase as Additional Rent within ten (10) days after receipt of a reasonably detailed invoice from Landlord. Tenant shall not be entitled to any abatement or reduction in the amount of Rent payable under this Lease if for any reason Tenant is unable to use the Roof Equipment. In no event whatsoever shall the installation, operation, maintenance, or removal of the Roof Equipment by Tenant or its agents void, terminate, or invalidate any applicable roof warranty.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

(c) **Protection**. The installation, operation, and removal of the Roof Equipment shall be at Tenant's sole risk. Tenant shall indemnify, defend, and hold Landlord harmless from and against any and all claims, costs, damages, liabilities and expenses (including, but not limited to, attorneys' fees) of every kind and description that may arise out of or be connected in any way with Tenant's installation, operation, or removal of the Roof Equipment.

(d) **Removal**. At the expiration or earlier termination of this Lease or the discontinuance of the use of the Roof Equipment by Tenant, Tenant shall, at its sole cost and expense, remove the Roof Equipment from the Building. Tenant shall leave the portion of the roof where the Roof Equipment was located in good order and repair, reasonable wear and tear excepted. If Tenant does not so remove the Roof Equipment, Tenant hereby authorizes Landlord to remove and dispose of the Roof Equipment and charge Tenant as Additional Rent for all costs and expenses incurred by Landlord in such removal and disposal. Tenant agrees that Landlord shall not be liable for any Roof Equipment or related property disposed of or removed by Landlord.

(e) **No Interference**. The Roof Equipment shall not interfere with the proper functioning of any telecommunications equipment or devices that have been installed or will be installed by Landlord or for any other tenant or future tenant of the Building. Tenant acknowledges that other tenant(s) may have approval rights over the installation and operation of telecommunications equipment and devices on or about the roof, and that Tenant's right to install and operate the Roof Equipment is subject and subordinate to the rights of such other tenants. Tenant agrees that any other tenant of the Building that currently has or in the future takes possession of any portion of the Building will be permitted to install such telecommunication equipment that is of a type and frequency that will not cause unreasonable interference to the Roof Equipment.

(f) **Relocation**. Landlord shall have the right, at Landlord's cost and expense and after 60 days prior notice to Tenant, to relocate the Roof Equipment to another site on the roof of the Building as long as such site reasonably meets Tenant's sight line and interference requirements and does not unreasonably interfere with Tenant's use and operation of the Roof Equipment.

(g) **Access**. Landlord grants to Tenant the right of ingress and egress on a 24 hour 7 day per week basis to install, operate, and maintain the Roof Equipment. Before receiving access to the roof of the Building, Tenant shall give Landlord at least 24 hours' advance written or oral notice, except in emergency situations, in which case 2 hours' advance oral notice shall be given by Tenant. Landlord shall supply Tenant with the name, telephone, and pager numbers of the contact individual(s) responsible for providing access during emergencies.

(h) **Appearance**. If permissible by Legal Requirements, the Roof Equipment shall be painted the same color as the Building so as to render the Roof Equipment virtually invisible from ground level.

(i) **No Assignment**. The right of Tenant to use and operate the Roof Equipment shall be personal solely to City Therapeutics, Inc., a Delaware corporation, and (i) no other person or entity shall have any right to use or operate the Roof Equipment, and (ii) Tenant shall not assign, convey, or otherwise transfer to any person or entity any right, title, or interest in all or any portion of the Roof Equipment or the use and operation thereof.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary - Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

43. **Miscellaneous**.

(a) **Notices**. All notices or other communications between the parties shall be in writing and shall be delivered by (i) reputable overnight guaranty courier, (ii) hand delivery with signature confirming receipt, or (iii) email transmission to the email address set forth in the Basic Lease Provisions for the applicable party, which email includes in the subject line (x) the Project address, (y) Tenant name and (z) "NOTICE UNDER LEASE" in all caps, provided a hard copy of any email notice is also sent the same day by one of the delivery methods provided in sub-sections (i) or (ii) (each, a "**Follow Up Notice**"). Notices delivered pursuant to the delivery methods provided in sub-sections (i) or (ii) shall be deemed duly given when actually received by the addressee or when delivery thereof is refused by the addressee. Notices delivered via email and sent during the hours of 8:00 a.m. and 3:00 p.m. PST shall be deemed duly given on the day sent; provided, however, that any email notice delivered on a Saturday, Sunday or legal holiday or after 3:00 p.m. PST shall be deemed given on the next day that is not a Saturday, Sunday or legal holiday. For the avoidance of doubt, for an email notice to be effective as provided in the immediately preceding sentence, a Follow Up Notice must be delivered to the addressee of the email notice within 48 hours of the date that the email notice is delivered. If a Follow Up Notice is not received within such 48-hour period, actual notice will be deemed to have been given on the date that the Follow Up Notice is delivered rather than on the date of delivery of the email notice. Notwithstanding anything to the contrary contained herein, notice sent via email shall in no event constitute a notice hereunder if the sender receives notice or otherwise has knowledge that the email notice was not properly transmitted or otherwise received by the addressee. All notices shall be delivered to the parties at their addresses set forth in the Basic Lease Provisions. Landlord and Tenant may from time to time by written notice to the other designate another address for receipt of future notices.

(b) **Joint and Several Liability**. If and when included within the term "**Tenant**," as used in this instrument, there is more than one person or entity, each shall be jointly and severally liable for the obligations of Tenant.

(c) **Financial Information**. Tenant shall furnish to Landlord true and complete copies of (i) upon Landlord's written request on an annual basis, Tenant's most recent unaudited (or, if available, audited) annual financial statements, provided, however, that Tenant shall not be required to deliver to Landlord such annual financial statements for any particular year sooner than the date that is 90 days after the end of each of Tenant's fiscal years during the Term, (ii) upon Landlord's written request on a quarterly basis, Tenant's most recent unaudited quarterly financial statements; provided, however, that Tenant shall not be required to deliver to Landlord such quarterly financial statements for any particular quarter sooner that the date that is 45 days after the end of each of Tenant's fiscal quarters during the Term, (iii) upon Landlord's written request from time to time, updated business plans, including cash flow projections and/or pro forma balance sheets and income statements typically provided to or prepared for investors provided, however, that Tenant may redact (or omit) information from such business plans, including cash flow projections and/or pro forma balance sheets and income statements that Tenant deems to constitute a competitive advantage for Tenant (e.g., without limitation, proprietary information about Tenant that could be used by others to put Tenant at a disadvantage, information about targets that Tenant is seeking to acquire or to be acquired by, etc.), (iv) upon Landlord's written request from time to time, corporate brochures and/or profiles prepared by Tenant for prospective investors, and (v) upon Landlord's written request from time to time, any other financial information or summaries that Tenant typically provides to its lenders or shareholders. Notwithstanding anything to the contrary contained in this Lease, Landlord's written request for financial information pursuant to this Section 44(c) may delivered to Tenant via email. So long as Tenant is a "public company" and its financial information is publicly available, then the foregoing delivery requirements of this Section 44(c) shall not apply.

Landlord agrees to hold the financial statements and other financial information provided under this section in confidence using at least the same degree of care that Landlord uses to protect its own confidential information of a similar nature; provided, however, that Landlord may disclose such information to Landlord's auditors, attorneys, consultants, lenders, affiliates, prospective purchasers and investors and other third parties as reasonably required in the ordinary course of Landlord's operations, provided that Landlord shall request that such parties treat the information as confidential. The obligations of confidentiality hereunder shall not apply to information that was in the public domain at the time it was disclosed to Landlord, entered into the public domain subsequent to the time it was disclosed to Landlord through no fault of Landlord, or was disclosed by Tenant to a third party without any confidentiality restrictions. In addition, Landlord may disclose such information without violating this section to the extent that disclosure is reasonably necessary (x) for Landlord to enforce its rights or defend itself under this Lease; (y) for required submissions to any state or federal regulatory body; or (z) for compliance with a valid order of a court or other governmental body having jurisdiction, or any law, statute, or regulation, provided that, other than in an emergency, before disclosing such information, Landlord shall give Tenant 5 business days' prior notice of the same to allow Tenant to obtain a protective order or such other judicial relief.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

(d) **Recordation**. Neither this Lease nor a memorandum of lease shall be filed by or on behalf of Tenant in any public record. Landlord may prepare and file, and upon request by Landlord, Tenant will execute, a memorandum of lease. Notwithstanding the foregoing, upon Tenant's request and at Tenant's sole cost and expense, Landlord shall execute and notarize a memorandum of lease prepared by Tenant which memorandum shall contain only the following information and any other additional information that may be required by applicable law: (i) the names of the parties to this Lease, (ii) description of the Premises and the Project, and (iii) the Term. Tenant shall file such memorandum of lease, at Tenant's sole cost. If Tenant fails, after written request from Landlord, to record a termination of the memorandum on the expiration or earlier termination of this Lease, Tenant shall be responsible for any damages suffered by Landlord (from any cause including, without limitation, resulting from any indemnities or certifications which may be made by Landlord in favor of third parties). The provisions of this Section 43(d) shall survive the expiration or earlier termination of this Lease. Landlord may prepare and file, and upon request by Landlord Tenant will execute, a memorandum of lease.

(e) **Interpretation**. The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Lease or any exhibits or amendments hereto. Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires. The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provision hereof, or in any way affect the interpretation of this Lease.

(f) **Not Binding Until Executed**. The submission by Landlord to Tenant of this Lease shall have no binding force or effect, shall not constitute an option for the leasing of the Premises, nor confer any right or impose any obligations upon either party until execution of this Lease by both parties.

(g) **Limitations on Interest**. It is expressly the intent of Landlord and Tenant at all times to comply with applicable law governing the maximum rate or amount of any interest payable on or in connection with this Lease. If applicable law is ever judicially interpreted so as to render usurious any interest called for under this Lease, or contracted for, charged, taken, reserved, or received with respect to this Lease, then it is Landlord's and Tenant's express intent that all excess amounts theretofore collected by Landlord be credited on the applicable obligation (or, if the obligation has been or would thereby be paid in full, refunded to Tenant), and the provisions of this Lease immediately shall be deemed reformed and the amounts thereafter collectible hereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder.

(h) **Choice of Law**. Construction and interpretation of this Lease shall be governed by the internal laws of the state in which the Premises are located, excluding any principles of conflicts of laws.

(i) **Time**. Time is of the essence as to the performance of Tenant's obligations under this Lease.

(j) **OFAC**. Tenant and all beneficial owners of Tenant are currently (a) in compliance with and shall at all times during the Term of this Lease remain in compliance with the regulations of the Office of Foreign Assets Control ("**OFAC**") of the U.S. Department of Treasury and any statute, executive order, or regulation relating thereto (collectively, the "**OFAC Rules**"), (b) not listed on, and shall not during the term of this Lease be listed on, the Specially Designated Nationals and Blocked Persons List, Foreign Sanctions Evaders List, or the Sectoral Sanctions Identification List, which are all maintained by OFAC and/or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order, or regulation, and (c) not a person or entity with whom a U.S. person is prohibited from conducting business under the OFAC Rules.

(k) **Incorporation by Reference**. All exhibits and addenda attached hereto are hereby incorporated into this Lease and made a part hereof. If there is any conflict between such exhibits or addenda and the terms of this Lease, such exhibits or addenda shall control.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

(l) **Entire Agreement**. This Lease, including the exhibits attached hereto, constitutes the entire agreement between Landlord and Tenant pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, letters of intent, negotiations and discussions, whether oral or written, of the parties, and there are no warranties, representations or other agreements, express or implied, made to either party by the other party in connection with the subject matter hereof except as specifically set forth herein.

(m) **No Accord and Satisfaction**. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installment of Base Rent or any Additional Rent will be other than on account of the earliest stipulated Base Rent and Additional Rent, nor will any endorsement or statement on any check or letter accompanying a check for payment of any Base Rent or Additional Rent be an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue any other remedy provided in this Lease.

(n) **Hazardous Activities**. Notwithstanding any other provision of this Lease, Landlord, for itself and its employees, agents and contractors, reserves the right to refuse to perform any repairs or services in any portion of the Premises which, pursuant to Tenant's routine safety guidelines, practices or custom or prudent industry practices, require any form of protective clothing or equipment other than safety glasses. In any such case, Tenant shall contract with parties who are acceptable to Landlord, in Landlord's reasonable discretion, for all such repairs and services, and Landlord shall, to the extent required, equitably adjust Tenant's Share of Operating Expenses in respect of such repairs or services to reflect that Landlord is not providing such repairs or services to Tenant.

(o) **Redevelopment of Project**. Tenant acknowledges that Landlord, in its sole discretion, may from time to time expand, renovate and/or reconfigure the Project as the same may exist from time to time and, in connection therewith or in addition thereto, as the case may be, from time to time without limitation: (a) change the shape, size, location, number and/or extent of any improvements, buildings, structures, lobbies, hallways, entrances, exits, parking and/or parking areas relative to any portion of the Project; (b) modify, eliminate and/or add any buildings, improvements, and parking structure(s) either above or below grade, to the Project, the Common Areas and/or any other portion of the Project and/or make any other changes thereto affecting the same; and (c) make any other changes, additions and/or deletions in any way affecting the Project and/or any portion thereof as Landlord may elect from time to time, including without limitation, additions to and/or deletions from the land comprising the Project, the Common Areas and/or any other portion of the Project. Tenant acknowledges and agrees that construction noise, vibrations and dust associated with normal construction activities in connection with any redevelopment of the Project are to be expected during the course of such construction. Notwithstanding anything to the contrary contained in this Lease, Tenant shall have no right to seek damages (including abatement of Rent) or to cancel or terminate this Lease because of any proposed changes, expansion, renovation or reconfiguration of the Project nor shall Tenant have the right to restrict, inhibit or prohibit any such changes, expansion, renovation or reconfiguration; provided, however, Landlord shall not change the size, dimensions, location or Tenant's Permitted Use of the Premises. In no event shall such redevelopment work materially adversely affect Tenant's access to the Premises or Tenant's use of the Premises for the Permitted Use.

(p) **Shuttle Services**. Landlord and affiliates of Landlord plan to provide a campus shuttle service for the Project and other buildings in the vicinity of the Project that are owned by affiliates of Landlord (the "**Shuttle Service**"); provided, however, that neither Landlord nor any affiliate of Landlord shall be obligated to provide the Shuttle Service (or, once the Shuttle Service has commenced, to continue providing the Shuttle Service for any specific period of time) or to cause the Shuttle Service to follow any specific route, make any specific stops, or adhere to any specific schedule or hours of operation. If Landlord and affiliates of Landlord actually commence operation of the Shuttle Service, (i) Landlord shall give Tenant written notice of the date such operation will commence ("**Shuttle Services Commencement Date**") and the planned route, stops, schedule, and hours of operation, (ii) Landlord shall permit Tenant's employees actually employed at the Project to use the Shuttle Service, and (iii) regardless of whether Tenant's employees use the Shuttle Services, commencing on later to occur of (x) the Shuttle Services Commencement Date, or the Commencement Date, through the earlier of the expiration of the Term or the date that Landlord permanently ceases to provide Shuttle Service, Operating Expenses shall include the cost of provision the Shuttle Service (the "**Shuttle Service Costs**"). Tenant acknowledges and agrees that Landlord has not made any representations or warranties regarding the commencement or continued availability of the Shuttle Service and that Tenant is not entering into this Lease with an expectation that the Shuttle Service shall commence or continue to be available to Tenant throughout the Term.

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

(q) **Counterparts**. This Lease may be executed in 2 or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature process complying with the U.S. federal ESIGN Act of 2000) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Electronic signatures shall be deemed original signatures for purposes of this Lease and all matters related thereto, with such electronic signatures having the same legal effect as original signatures.

[Signatures on next page]

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

TENANT:

CITY THERAPEUTICS, INC.,
a Delaware corporation

By: /s/ Sebastian Trousil
Its: Chief Operating Officer

☒ I hereby certify that the signature, name, and title above are my signature, name and title

LANDLORD:

ARE-MA REGION NO. 58, LLC,
a Delaware limited liability company

By: Alexandria Real Estate Equities, L.P., a Delaware limited partnership, managing member

By: ARE-QRS Corp.,
a Maryland corporation, general partner

By: /s/ Allison Grochola
Its: SVP - Real Estate Legal Affairs

ALEXANDRIA.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (this "**First Amendment**") is made as of June 4, 2025 (the "**First Amendment Effective Date**"), by and between **ARE-MA REGION NO. 58, LLC**, a Delaware limited liability company ("**Landlord**"), and **CITY THERAPEUTICS, INC.**, a Delaware corporation ("**Tenant**").

RECITALS

A. Landlord and Tenant are parties to that certain Lease Agreement dated as of December 19, 2023, as amended by that certain letter agreement dated December 28, 2023 (as amended, the "**Lease**"). Pursuant to the Lease, Tenant leases approximately 31,190 rentable square feet consisting of (i) a portion of the first floor of the Building, commonly known as Suite 100, containing approximately 25,860 rentable square feet (the "**First Floor Premises**"), (ii) a portion of the lower level floor of the Building, commonly known as Suite 001, containing approximately 4,640 rentable square feet (the "**Lower Level Premises**"), and (iii) a portion of the fourth floor of the Building, commonly known as Suite 400, containing approximately 690 rentable square feet (the "**Penthouse Premises**") (collectively, the "**Original Premises**") in the building located at 399 Binney Street, Cambridge, Massachusetts (the "**Building**"). The Original Premises are more particularly described in the Lease. Capitalized terms used herein without definition shall have the meanings defined for such terms in the Lease.

B. The Term of the Lease is scheduled to expire on March 31, 2029 (the "**Expiration Date**").

C. Tenant desires to accelerate the Expiration Date of a portion of the Original Premises consisting of the First Floor Premises and the Penthouse Premises (collectively, the "**Surrender Premises**"), subject to Tenant's expansion into the Substitute Premises (as defined below).

D. Tenant also desires to expand the size of the Original Premises to include (i) the entire second floor of the Building commonly known as Suite 200, containing approximately 45,939 rentable square feet (the "**Suite 200 Premises**") and (ii) a portion of the fourth floor of the Building, commonly known as Suite 401, containing approximately 1,074 rentable square feet (the "**Suite 401 Premises**") as more particularly described on **Exhibit A** attached hereto (collectively, the "**Substitute Premises**").

E. Landlord has caused the Project and Building to be re-measured, and as a result, Landlord has determined that (i) the Lower Level Premises contains approximately 4,713 rentable square feet, (ii) the Building contains approximately 171,277 rentable square feet, and (iii) the Project contains approximately 872,277 rentable square feet.

F. Landlord and Tenant desire, subject to the terms and conditions set forth below, to amend the Lease to, among other things, (i) reflect the remeasured rentable area of the Original Premises, Building and Project, (ii) extend the Term of the Lease through September 30, 2031 (the "**First Amendment Expiration Date**"), (iii) reflect the early termination and surrender of the Surrender Premises, and (iv) expand the size of the Original Premises to include the Substitute Premises.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein by this reference, the mutual promises and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. **Substitute Premises**. In addition to the Original Premises, commencing on the Substitute Premises Commencement Date (as defined in Section 2 below), Landlord shall lease to Tenant and Tenant shall lease from Landlord the Substitute Premises.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

2. **Delivery of Substitute Premises**. Landlord shall use reasonable efforts to deliver the Substitute Premises to Tenant with Landlord's Work substantially completed and free of personal property (other than Landlord's FF&E described in Section 10 below) ("**Deliver**" or "**Delivers**") on or before July 1, 2025 (the "**Target Substitute Premises Commencement Date**"). If Landlord fails to deliver the Substitute Premises by the Target Substitute Premises Commencement Date, Landlord shall not be liable to Tenant for any loss or damage resulting therefrom, and the Lease with respect to the Substitute Premises shall not be void or voidable except as provided herein. Notwithstanding anything to the contrary contained herein, if Landlord fails to Deliver the Substitute Premises to Tenant by October 1, 2025 (as such date may be extended for Force Majeure delays and delays caused by Tenant, the "**Initial Abatement Date**"), then Base Rent payable with respect to the Substitute Premises shall be abated 1 day for each day after the Initial Abatement Date (as such date may be amended for Force Majeure delays and delays caused by Tenant) that Landlord fails to Deliver the Substitute Premises to Tenant. If Landlord fails to Deliver the Substitute Premises to Tenant by November 1, 2025 (as such date may be extended for Force Majeure delays and delays caused by Tenant, the "**Second Abatement Date**"), then Base Rent payable with respect to the Substitute Premises shall be abated 2 days for each day after the Second Abatement Date (as such date may be amended for Force Majeure delays and delays caused by Tenant) that Landlord fails to Deliver the Substitute Premises to Tenant.

As used herein, the term "**Landlord's Work**" means Landlord shall, at its sole cost and expense, (i) cause the Substitute Premises to be professionally cleaned, (ii) repair any broken floor tiles in the lab of the Suite 200 Premises, and (iii) cause the Punch List Items (as defined in the following sentence) to be completed. A representative of Landlord and Tenant shall conduct a joint walk-through of the Substitute Premises at least 30 days prior to the Target Substitute Premises Commencement Date to identify any damage caused by the former tenant, and such parties shall reasonably agree upon and prepare a final list of such items that Landlord agrees to repair (the "**Punch List Items**"). Landlord will require the existing tenant of the Substitute Premises to leave all existing IT infrastructure, network cabling and wiring, security infrastructure and audiovisual infrastructure (the "**Existing Infrastructure and Wiring**") in the Substitute Premises upon such tenant's surrender of the Substitute Premises. Notwithstanding anything to the contrary contained in the Lease or in this First Amendment, Tenant shall not remove the Existing Infrastructure and Wiring at the expiration or earlier termination of the Term.

The "**Substitute Premises Commencement Date**" shall be the date that Landlord Delivers the Substitute Premises to Tenant with item (i) of Landlord's Work substantially complete. Tenant acknowledges that the remainder of Landlord's Work shall be substantially completed within 30 days after the Substitute Premises Commencement Date. Tenant acknowledges that Landlord shall require access to portions of the Substitute Premises after the Substitute Premises Commencement Date in order to perform Landlord's Work. Landlord and its contractors and agents shall have the right to enter the Substitute Premises to complete Landlord's Work, and Tenant shall cooperate with Landlord in connection with the same. Tenant acknowledges that Landlord's completion of Landlord's Work may temporarily adversely affect Tenant's use and occupancy of the Substitute Premises. Landlord shall use commercially reasonable efforts to minimize interference with Tenant's use of the Substitute Premises for the Permitted Use in connection with its performance of Landlord's Work. Tenant waives all claims against Landlord for rent abatement in connection with Landlord's Work. Tenant shall have no right to seek damages (including abatement of Base Rent) or to cancel or terminate the Lease because of Landlord's Work.

Landlord and Tenant shall execute and deliver a written acknowledgment of the Substitute Premises Commencement Date in the form of the "Acknowledgement of Substitute Premises Commencement Date" attached hereto as **Exhibit B**; provided, however, Landlord or Tenant's failure to execute and deliver such acknowledgment shall not affect either party's rights hereunder.

Landlord shall, at its sole cost and expense (which shall not constitute an Operating Expense), be responsible for any repairs that are required to be made to the Building Systems (as defined in Section 13 of the Lease) serving the Substitute Premises of which Tenant notifies Landlord in writing within 90 calendar days after the Substitute Premises Commencement Date, unless Tenant or any Tenant Party was responsible for the cause of such repair, in which case Tenant shall pay the cost. Landlord shall deliver to Tenant a copy of the decommissioning report prepared by the immediately prior tenant of the Substitute Premises, subject to Landlord's standard non-reliance letter, prior to the Substitute Premises Commencement Date.

ALEXANDRIA.
Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

Except as otherwise expressly set forth in this First Amendment (including without limitation, the completion of Landlord's Work by Landlord): (i) Tenant shall accept the Substitute Premises in their "as-is" condition as of the Substitute Premises Commencement Date; (ii) Landlord shall have no obligation for any defects in the Substitute Premises; and (iii) Tenant's taking possession of the Substitute Premises shall be conclusive evidence that Tenant accepts the Substitute Premises and that the Substitute Premises were in good condition at the time possession was taken. Tenant agrees and acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of all or any portion of the Substitute Premises, and/or the suitability of the Substitute Premises for the conduct of Tenant's business, and Tenant waives any implied warranty that the Substitute Premises are suitable for the Permitted Use. Nothing in this paragraph shall limit Landlord's maintenance and repair obligations under Section 13 of the Lease.

3. **Surrender Premises**. Landlord and Tenant agree, subject to the terms and conditions set forth in this Section 3, to accelerate the expiration date of the Term of the Lease with respect to the Surrender Premises only from the Expiration Date to the date (as applicable, the "**Surrender Premises Termination Date**") that is the earlier of (i) 11:59 p.m. ET on June 30, 2026, provided the Substitute Premises Commencement Date has occurred (the "**Surrender Premises Outside Termination Date**"), and (ii) such earlier date that Landlord effectuates a termination of the Lease with respect to the Surrender Premises pursuant to the Surrender Premises Accelerated Termination Right (as defined below). Notwithstanding anything to the contrary contained in the Lease, Tenant shall have no further right to extend the Term of the Lease with respect to the Surrender Premises. Notwithstanding anything to the contrary contained in this First Amendment, if Tenant does not surrender the Surrender Premises on or before the Surrender Premises Termination Date in strict accordance with the terms of this First Amendment, the Term of the Lease with respect to the Surrender Premises shall nonetheless terminate on the Surrender Premises Termination Date and the holdover provisions of the Lease shall apply.

Notwithstanding anything to the contrary contained in this First Amendment, if Landlord has a signed lease with a replacement tenant for the Surrender Premises, Landlord shall have the right ("**Surrender Premises Accelerated Termination Right**"), by delivery of not less than three (3) business days' advance written notice to Tenant which notice may be given on or after the later of (i) July 31, 2025 or (ii) such date which is thirty (30) days following the Substitute Premises Commencement Date ("**Surrender Premises Accelerated Termination Notice**"), to further accelerate the Surrender Premises Termination Date to a date prior to the Surrender Premises Outside Termination Date, whereupon the Term of the Lease shall automatically terminate with respect to the Surrender Premises on the date specified in such Surrender Premises Accelerated Termination Notice.

Tenant shall voluntarily surrender the Surrender Premises on the Surrender Premises Termination Date in accordance with all surrender requirements contained in the Lease and in the condition in which Tenant is required to surrender the Premises as of the Expiration Date. After the Surrender Premises Termination Date, Tenant shall have no further rights of any kind with respect to the Surrender Premises.

Landlord and Tenant each agree that the other is excused following the Surrender Premises Termination Date from any further obligations under the Lease with respect to the Surrender Premises, excepting only such obligations under the Lease which are, by their terms, intended to survive termination of the Lease (including, without limitation, those obligations in connection with the reconciliation of Operating Expenses as provided for in the following paragraph) and except as provided for in this First Amendment.

ALEXANDRIA

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

Notwithstanding any provision in the Lease or in this First Amendment to the contrary, Landlord and Tenant hereby acknowledge and agree that solely with respect to the Surrender Premises, Tenant shall (a) not be required to pay Base Rent, Operating Expenses (including without limitation Utilities and insurance), Monthly Parking Charges or any other monthly obligations related to the period of time commencing on the Substitute Premises Commencement Date through the Surrender Premises Termination Date, except for those obligations in connection with the reconciliation of Operating Expenses for the period of January 1, 2025 through the day prior to the Substitute Premises Commencement Date pursuant to Section 5 of the Lease, (b) not be responsible to Landlord for any other financial obligations under the Lease first arising after July 31, 2025, and (c) not have any repair, replacement or maintenance obligations (pursuant to Section 14 of the Lease) after July 31, 2025, except for any liability arising from or in connection with any entry to the Surrender Premises by employees, agents, contractors or invitees of Tenant acting under the direction of or in concert with Tenant after the Substitute Premises Commencement Date.

4. Premises.

a. Commencing on the Substitute Premises Commencement Date, the terms "**Premises**" and "**Rentable Area of Premises**" on page 1 of the Lease shall be deleted in their entirety and replaced with the following:

"**Premises:** Those portions of the Building in the Project consisting of (i) a portion of the first floor of the Building, commonly known as Suite 100, containing approximately 25,860 rentable square feet (the "**First Floor Premises**"), (ii) a portion of the lower level floor of the Building, commonly known as Suite 001, containing approximately 4,713 rentable square feet (the "**Lower Level Premises**"), (iii) a portion of the fourth floor of the Building, commonly known as Suite 401, containing approximately 1,074 rentable square feet (the "**Suite 401 Premises**"), (iv) a portion of the fourth floor of the Building, commonly known as Suite 400, containing approximately 854 rentable square feet (the "**Penthouse Premises**"), and (v) the entire second floor of the Building commonly known as Suite 200, containing approximately 45,939 rentable square feet, (the "**Suite 200 Premises**"), all as determined by Landlord, as shown on **Exhibit A**."

"**Rentable Area of Premises:** 78,440 sq. ft."

As of the Substitute Premises Commencement Date, **Exhibit A** attached to the Lease shall be amended to include the Suite 200 Premises and Suite 401 Premises described on **Exhibit A** attached to this First Amendment.

b. Commencing on the Surrender Premises Termination Date, the terms "**Premises**" and "**Rentable Area of Premises**" on page 1 of the Lease shall be deleted in their entirety and replaced with the following:

"**Premises:** Those portions of the Building in the Project consisting of (i) a portion of the lower level floor of the Building, commonly known as Suite 001, containing approximately 4,713 rentable square feet (the "**Lower Level Premises**"), (ii) a portion of the fourth floor of the Building, commonly known as Suite 401, containing approximately 1,074 rentable square feet (the "**Suite 401 Premises**"), and (iii) the entire second floor of the Building commonly known as Suite 200, containing approximately 45,939 rentable square feet, (the "**Suite 200 Premises**"), all as determined by Landlord, as shown on **Exhibit A**."

"**Rentable Area of Premises**: 51,726 sq. ft."

As of the Surrender Premises Termination Date, **Exhibit A** attached to the Lease shall be amended to exclude the Surrender Premises.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

5. **Building and Project Rentable Area**. Notwithstanding anything to the contrary contained in the Lease, as of the Substitute Premises Commencement Date, the defined terms "**Rentable Area of Building**," "**Rentable Area of Project**," and "**Building's Share of Operating Expenses of**

Project" set forth in Page 1 of the Lease, are deleted in their entirety and replaced with the following:

"**Rentable Area of Building**: 171,277"

"**Rentable Area of Project**: 872,277"

"**Building's Share of Operating Expenses of Project**: 19.64%"

6. **Base Rent**.

a. **Surrender Premises**. Tenant shall continue paying Base Rent with respect to the Surrender Premises as provided for under the Lease through the calendar day immediately preceding the Substitute Premises Commencement Date. Commencing on the Substitute Premises Commencement Date and continuing through the Surrender Premises Termination Date, as provided in Section 3 above, Base Rent payable with respect to the Surrender Premises shall be abated and Tenant shall have no obligation to pay any Base Rent with respect to the Surrender Premises.

b. **Lower Level Premises**. Tenant shall continue paying Base Rent with respect to the Lower Level Premises as provided for under the Lease through the First Amendment Expiration Date, subject to adjustment on each Adjustment Date as provided for in Section 4 of the Lease.

c. **Substitute Premises.** Commencing on the Substitute Premises Commencement Date and continuing through the First Amendment Expiration Date, Tenant shall pay Base Rent with respect to the Substitute Premises (being the Suite 200 Premises and Suite 401 Premises) at the same rate as Tenant is currently paying for the Lower Level Premises under the Lease, subject to adjustment on each Adjustment Date as provided for in Section 4 of the Lease.

d. **Free Rent Periods**. Notwithstanding anything to the contrary contained in the Lease or in this First Amendment, so long as Tenant is not in default under the Lease beyond any applicable notice and cure periods, Base Rent with respect to the Lower Level Premises and Substitute Premises shall be abated for a total of 3 months, during each of the following periods of time: (i) December 1, 2025 through December 31, 2025, (ii) December 1, 2026 through December 31, 2026 and (iii) December 1, 2027 through December 31, 2027 (each, a "**First Amendment Abatement Period**"). For the avoidance of doubt, Tenant shall be required to pay Operating Expenses and all other amounts payable under the Lease during each of the First Amendment Abatement Periods.

7. **Operating Expenses**.

a. Commencing on the Substitute Premises Commencement Date through the calendar day immediately preceding the Surrender Premises Termination Date, the term "**Tenant's Share of Operating Expenses of Building**" on page 1 of the Lease is deleted in its entirety and replaced with the following:

"**Tenant's Share of Operating Expenses of Building:** 45.80%"

Notwithstanding the foregoing and for the avoidance of doubt, during the period commencing on the Substitute Premises Commencement Date through the calendar day immediately preceding the Surrender Premises Termination Date, as provided in Section 3, Tenant shall not be required to pay Operating Expenses for the Surrender Premises (such that Tenant shall only be required to pay Tenant's Share of Operating Expenses of Building equal to 30.20%).

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

b. Commencing on the Surrender Premises Termination Date, the term "**Tenant's Share of Operating Expenses of Building**" on page 1 of the Lease is deleted in its entirety and replaced with the following:

"**Tenant's Share of Operating Expenses of Building**: 30.20%"

c. For the avoidance of doubt, Tenant shall be required to pay Operating Expenses as provided for in the Lease during each First Amendment Abatement Period including, without limitation, administration rent that Tenant would have been required to pay in the absence of there being a First Amendment Abatement Period.

8. **Security Deposit**. Commencing on the First Amendment Effective Date, the defined term "**Security Deposit**" on Page 1 of the Lease is deleted in its entirely and replaced with the following:

"**Security Deposit:** $2,384,946.67"

Landlord currently holds a Security Deposit of $1,455,533.33 under the Lease. Concurrently with Tenant's delivery of a signed copy of this First Amendment to Landlord, Tenant shall deliver to Landlord either (a) an amended Letter of Credit which increases the amount of the existing Letter of Credit being held by Landlord to $2,384,946.67, or (b) an additional Letter of Credit in the amount of $929,413.34.

If, as of the expiration of 36 months after the Substitute Premises Commencement Date, (x) Tenant is not then in Default under the Lease beyond any applicable notice or cure periods and (y) no assignment of the Lease has occurred (collectively, the "**Reduction Requirements**") then, Tenant shall have the right to request that the Security Deposit shall be reduced to an amount equal to $1,442,168.00 (the "**Reduced Security Deposit**"). If Tenant delivers a written request to Landlord for such reduction of the Security Deposit then, so long as the Reduction Requirements have been and continue to be satisfied, Landlord shall cooperate with Tenant, at no cost, expense or liability to Landlord, to reduce the Letter of Credit then held by Landlord to the amount of the Reduced Security Deposit. If the Security Deposit is reduced as provided in this paragraph, then from and after the date of such reduction, the "**Security Deposit**" shall be deemed to be the Reduced Security Deposit, for all purposes of the Lease.

9. **Term**. The Term of the Lease, with respect to the Lower Level Premises and Substitute Premises, shall expire on the First Amendment Expiration Date.

10. **Landlord's FF&E**. **Exhibit G** attached to the Lease is hereby deleted in its entirety and replaced with the list of Landlord's FF&E identified on **Exhibit C** attached to this First Amendment. Tenant shall have the right during the Term to provide Landlord with a written list notifying Landlord of any Landlord's FF&E that Tenant does not want to use, and Landlord shall remove such items at Landlord's expense.

11. **Parking**. Notwithstanding anything to the contrary contained in the Lease or in this First Amendment, commencing on the Substitute Premises Commencement Date, Tenant's Parking Allocation and required Monthly Parking Charges, as set forth in Section 10(a) of the Lease, shall be based on 51,506 rentable square feet of Premises.

12. **Control Areas**. **Exhibit H** attached to the Lease is hereby deleted in its entirety and replaced with the Control Areas depicted on **Exhibit D** attached to this First Amendment.

13. **Right to Expand**. Section 39 of the Lease is hereby deleted in its entirety and is null and void and of no further force or effect.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

14. **Right to Extend Term**. For the avoidance of doubt, Tenant shall continue to have a right to extend the Term of the Lease with respect to the Lower Level Premises pursuant to the terms and conditions of Section 40 of the Lease; provided however, the phrase "First Floor Premises" contained in the first paragraph of Section 40(a) shall be deleted in its entirety and replaced with "Suite 200 Premises".

15. **New Lease Termination Right.** For the avoidance of doubt, Tenant shall continue to have the New Lease Termination Right pursuant to the terms and conditions of Section 41 of the Lease; provided however, (i) all instances of the phrase "First Floor Premises" contained in Section 41 shall be deleted in their entirety and replaced with "Suite 200 Premises" and (ii) the number "40,000" in the first sentence of Section 41 shall be deleted in its entirety and replaced with "60,000".

16. **Brokers**. Landlord and Tenant each represents and warrants that it has not dealt with any broker, agent or other person (collectively, "**Broker**") in connection with the transaction reflected in this First Amendment and that no Broker brought about this transaction, other than JLL and Newmark. Landlord and Tenant each hereby agree to indemnify and hold the other harmless from and against any claims by any Broker, other than JLL and Newmark, claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this leasing transaction. Landlord shall be responsible for all commissions due to JLL and Newmark arising out of the execution of this First Amendment in accordance with the terms of separate written agreements between JLL, Newmark and Landlord.

17. **OFAC**. Tenant and, to Tenant's actual knowledge, all beneficial owners of Tenant are currently (a) in compliance with and shall at all times during the Term of the Lease remain in compliance with the regulations of the Office of Foreign Assets Control ("**OFAC**") of the U.S. Department of Treasury and any statute, executive order, or regulation relating thereto (collectively, the "**OFAC Rules**"), (b) not listed on, and shall not during the Term of the Lease be listed on, the Specially Designated Nationals and Blocked Persons List, Foreign Sanctions Evaders List, or the Sectoral Sanctions Identification List, which are all maintained by OFAC and/or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order, or regulation, and (c) not a person or entity with whom a U.S. person is prohibited from conducting business under the OFAC Rules.

18. **Miscellaneous**.

a. This First Amendment is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. This First Amendment may be amended only by an agreement in writing, signed by the parties hereto.

b. This First Amendment is binding upon and shall inure to the benefit of the parties hereto, their respective agents, employees, representatives, officers, directors, divisions, subsidiaries, affiliates, assigns, heirs, successors in interest and shareholders.

c. This First Amendment may be executed in 2 or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via electronic mail (including pdf or any electronic signature process complying with the U.S. federal ESIGN Act of 2000) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Electronic signatures shall be deemed original signatures for purposes of this First Amendment and all matters related thereto, with such electronic signatures having the same legal effect as original signatures.

d. Except as amended and/or modified by this First Amendment, the Lease is hereby ratified and confirmed and all other terms of the Lease shall remain in full force and effect, unaltered and unchanged by this First Amendment. In the event of any conflict between the provisions of this First Amendment and the provisions of the Lease, the provisions of this First Amendment shall prevail. Whether or not specifically amended by this First Amendment, all of the terms and provisions of the Lease are hereby amended to the extent necessary to give effect to the purpose and intent of this First Amendment.

[Signatures are on the next page]

ALEXANDRIA

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the day and year first above written.

LANDLORD:

ARE-MA REGION NO. 58, LLC,
a Delaware limited liability company

By: Alexandria Real Estate Equities, L.P.,
a Delaware limited partnership,
managing member

By: ARE-QRS Corp.,
a Maryland corporation,
general partner

By: /s/ Allison Grochola
Name: Allison Grochola
Its: SVP - Real Estate Legal Affairs

TENANT:

CITY THERAPEUTICS, INC.,
a Delaware corporation

By: /s/ Andy Orth
Name: Andy Orth
Its: President and CEO

☒ I hereby certify that the signature, name, and title above are my signature, name and title.

Copyright © 2005-2023 Alexandria Real Estate Equities, Inc. All rights reserved. Confidential and Proprietary – Do Not Copy or Distribute. ALEXANDRIA and the Lighthouse Logo are registered trademarks of Alexandria Real Estate Equities, Inc.

Exhibit 21.1

Subsidiaries of City Therapeutics, Inc.

Name	Jurisdiction
City Therapeutics Securities Corporation	Massachusetts

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of City Therapeutics, Inc. of our report dated July 14, 2026 relating to the financial statements of City Therapeutics, Inc., which appears in this Registration Statement. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
September 24, 2026

Calculation of Filing Fee Tables

S-1

CITY THERAPEUTICS, INC.

Table 1: Newly Registered and Carry Forward Securities ☐Not Applicable

		Security Type	Security Class Title	Fee Calculation or Carry Forward Rule	Amount Registered	Proposed Maximum Offering Price Per Unit	Maximum Aggregate Offering Price	Fee Rate	Amount of Registration Fee	Carry Forward Form Type	Carry Forward File Number	Carry Forward Initial Effective Date	Filing Fee Previously Paid in Connection with Unsold Securities to be Carried Forward
Newly Registered Securities													
Fees to be Paid	1	Equity	Common Stock, $0.0001 par value per share	457(o)			$ 100,000,000.00	0.0001381	$ 13,810.00				
Fees Previously Paid													
Carry Forward Securities													
Carry Forward Securities													
					Total Offering Amounts:		$ 100,000,000.00		$ 13,810.00				
					Total Fees Previously Paid:				$ 0.00				
					Total Fee Offsets:				$ 0.00				
					Net Fee Due:				$ 13,810.00				

Offering Note

1

(1) Estimated solely for the purpose of computing the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended.
(2) Includes the aggregate offering price of additional shares that the underwriters have the option to purchase.

Table 2: Fee Offset Claims and Sources ☑Not Applicable

		Registrant or Filer Name	Form or Filing Type	File Number	Initial Filing Date	Filing Date	Fee Offset Claimed	Security Type Associated with Fee Offset Claimed	Security Title Associated with Fee Offset Claimed	Unsold Securities Associated with Fee Offset Claimed	Unsold Aggregate Offering Amount Associated with Fee Offset Claimed	Fee Paid with Fee Offset Source
Rules 457(b) and 0-11(a)(2)												
Fee Offset Claims												
Fee Offset Sources												
Rule 457(p)												
Fee Offset Claims												
Fee Offset Sources												

Table 3: Combined Prospectuses ☑Not Applicable

	Security Type	Security Class Title	Amount of Securities Previously Registered	Maximum Aggregate Offering Price of Securities Previously Registered	Form Type	File Number	Initial Effective Date