

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

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

**ABSCI CORPORATION**  
(Exact name of Registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**8731**  
(Primary Standard Industrial  
Classification Code Number)

**85-3383487**  
(I.R.S. Employer  
Identification No.)

**101 E. 6th Street, Suite 350  
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(360) 949-1041**

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

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

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

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

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

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

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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.

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Proposed Maximum Aggregate Offering Price(1)</b>	<b>Amount of Registration Fee(2)</b>
Common Stock, par value \$0.0001 per share	\$	\$

- (1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act. Includes the offering price of any additional shares that the underwriters have the option to purchase.
- (2) Calculated pursuant to Rule 457(o) under the Securities Act based on an estimate of the proposed maximum aggregate offering price.

**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 is not soliciting an offer to buy these securities in any jurisdiction where such offer or sale is not permitted.

Subject to completion, dated \_\_\_\_\_, 2021.

Preliminary prospectus

*shares*



## Common stock

This is an initial public offering of shares of common stock by Absci Corporation. We are offering \_\_\_\_\_ shares of our common stock to be sold in the offering. The initial public offering price is expected to be between \$ \_\_\_\_\_ and \$ \_\_\_\_\_ per share.

Prior to this offering, there has been no public market for our common stock. We intend to apply to list our common stock on the Nasdaq Global Market (Nasdaq), under the symbol "ABSI."

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 and a "smaller reporting company" as defined in the Securities Exchange Act of 1934, as amended and, as such, have elected to take advantage of certain reduced public company reporting requirements.

	Per share	Total
Initial public offering price	\$ _____	\$ _____
Underwriting discounts and commissions <sup>(1)</sup>	\$ _____	\$ _____
Proceeds to Absci Corporation, before expenses	\$ _____	\$ _____

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

We have granted the underwriters an option for a period of 30 days to purchase up to \_\_\_\_\_ additional shares of common stock at the initial public offering price, less underwriting discounts and commissions.

Investing in our common stock involves a high degree of risk. See "[Risk Factors](#)" beginning on page 18.

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

The underwriters expect to deliver the shares to purchasers on or about \_\_\_\_\_, 2021.

**J.P. Morgan**

**Credit Suisse**

**BofA Securities**

**Cowen**

**Stifel**

The date of this prospectus is \_\_\_\_\_, 2021.

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**Through and including** , (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

We and the underwriters have not authorized anyone to provide any information other than that contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We 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 is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

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

## Prospectus Summary

This summary highlights selected information contained elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before investing in our common stock, you should carefully read this entire prospectus, including our financial statements and the related notes included elsewhere in this prospectus. You should also consider, among other things, the matters described under “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” in each case appearing elsewhere in this prospectus. Unless otherwise stated, all references to “us,” “our,” “Absci” “we,” the “Company” and similar designations refer to Absci Corporation and its wholly owned subsidiaries.

### Our Mission

Our mission is to change the world, one protein at a time. We founded Absci with the goal of creating better medicines and helping them reach patients sooner. We recognized the extraordinary medical and economic potential of protein-based drugs (biologics), but also the significant challenges the biopharmaceutical industry faces to both discover novel biologics and generate cell lines to manufacture them at commercial scale. We looked at the end game – getting better medicines to patients, faster — and asked: *how?* We built our technology to be that *how*.

We believe we are replacing the fragmented steps and inefficiencies of the conventional biologic drug discovery and cell line development processes with our fully integrated, end-to-end platform designed to create new and better biologics and accelerate their advancement into clinical trials and ultimately into the marketplace where they can serve patients. Combining innovative approaches, including synthetic biology, high-throughput single-cell screening, and deep learning artificial intelligence (AI), we seek to identify optimal drug candidates by exploring expansive protein sequence solution spaces — including considering sequences that nature’s evolutionary trajectory has yet to propose. We believe our platform allows us to expand biological possibilities and generate proteins intractable to produce with other technologies to ensure the best drug candidates have the opportunity to become therapeutic realities for patients. Our goal is to enable the creation of better medicines by *Translating Ideas into Drugs*.

And we are just getting started. Proteins are everywhere making biology happen. We believe commercial applications for novel proteins extend far beyond the realm of therapeutics and into other industries including materials science, industrial chemicals, cosmetics, synthetic foods, and agriculture. Today, we are focused on bringing value to the biopharmaceutical industry and generating better medicines. Our near term vision is to enable discovery of novel, targeted biologic drug candidates, and the cell lines to manufacture them, with the click of a button. Looking ahead, we envision a future in which Absci will be the universal engine creating protein-based solutions to advance the bio-based economy, one protein at a time.

### Overview

With our AI-powered Integrated Drug Creation Platform we enable the creation of novel biologics by unifying biologic drug discovery and cell line development into one simultaneous process. We leverage proprietary synthetic biology technologies and deep learning AI to predict, identify, design, construct, screen, select and scale production of novel biologic drug candidates, and learn from the data we generate. We believe our approach delivers disruptive efficiency, but more importantly enables our partners to create novel and human/AI-designed new-to-nature biologics (next-generation biologics).

While next-generation biologics have exciting medical potential and are a rapidly growing field of drug development, because their protein architectures (scaffolds or modalities) are biologically

foreign, they present challenges for conventional biologic drug discovery and cell line development methods. These methods typically involve a linear series of steps to screen and select desired molecular parts and reformat them into their final protein scaffold, and subsequent laborious and often unsuccessful generation of a suitable manufacturing cell line. We are transforming the biologic drug discovery and cell line development processes by rapidly screening up to billions of drug candidates *in* the desired final protein scaffold that goes into patients and *in* the production cell line that scales up for clinical and commercial manufacturing.

We believe our platform integrates a fragmented set of processes and bypasses the molecular reformatting and cell line development challenges that can lead to inefficiencies and failures. To accomplish this, we use proprietary high-throughput single cell assays that can evaluate billions of drug sequence variants, each within its production cell line, for target binding affinity, protein quality, and production level (titer). We also harness the large datasets we generate to train and refine our deep learning models which guide our protein and cell line designs, and enable *in silico* optimization of multiple attributes.

We believe our platform is the only commercially available solution that allows for high-throughput screening for simultaneous biologic drug discovery and manufacturing cell line development for next-generation biologics. With our recent acquisition of Totient, we are expanding our platform to include identification of disease- and tissue-specific targets and fully human antibodies as enhancements to our Discovery applications. We believe our unique approach to biologic drug creation has the potential to significantly accelerate preclinical development timelines and expand therapeutic possibilities for the biopharmaceutical industry.

Our goal is to become the partner of choice for biologic drug discovery and cell line development. As a technology development company, we generate biologic drug candidates and production cell lines for our partners to develop; we do not conduct or sponsor preclinical validation studies or clinical trials or seek regulatory approvals for drug candidates. Our business model is to establish partnerships with biopharmaceutical companies and use our platform for rapid creation of next-generation biologic drug candidates and production cell lines. We expect our partnerships to provide us with the opportunity to participate in the future success of the biologics generated utilizing our platform, through potential milestone payments as well as royalties on sales by our partners of approved products. We aim to assemble economic interests in a diversified portfolio of partners' next-generation biologic drug candidates across multiple indications.

We currently have drug candidates in nine Active Programs (across seven current partners' preclinical or clinical pipelines) for which we have negotiated, or expect to negotiate upon completion of certain technology development activities, license agreements with potential downstream milestone payments and royalties. Eight of the Active Programs are focused on developing production cell lines for drug candidates that our partners (including Merck & Co., Inc. (Merck), Xyphos Biotechnology, an Astellas Company (Astellas), Alpha Cancer Technologies, Inc. and other undisclosed biotechnology companies) are developing (five preclinical, one Phase 1, one Phase 3, and one animal health), reflecting our 2018 commercialization of our Cell Line Development (CLD) applications. We have one Discovery program underway, focused on lead optimization with Astellas, which we signed shortly after our December 2020 expansion of our platform to include our initial Discovery applications. We define Active Programs as programs that are subject to ongoing technology development activities intended to determine if the program can be pursued by our partner for future clinical development, as well as any program for which our partner obtains and maintains a license to our technology to advance the program after completion of the technology development phase. There is no assurance, however, that our partners will advance any drug candidates that are currently the subject of Active Programs into further preclinical or clinical development or that our partners will elect to license our technologies upon completion of the technology development phase in a timely manner, or at all.

## Strategy

We believe we represent a new breed of biotechnology company, integrating powerful artificial intelligence with new synthetic biology technologies to create next-generation biologics. We aim to become a partner of choice to both large pharmaceutical companies and biotechnology companies to enable and empower discovery and cell line development capabilities for biologics. We intend to use our Integrated Drug Creation Platform to empower innovation by identifying new targets, creating new modalities, discovering next-generation biologics, driving efficiencies, broadening pipelines, and accelerating preclinical timelines.

Our strategy to accomplish this is as follows:

- Enable the discovery and development of next-generation biologics and new modalities through our proprietary platform.
- Accelerate biologic drug discovery and cell line development by unifying these processes as “Integrated Drug Creation.”
- Drive rapid adoption by becoming a partner of choice for large pharmaceutical companies and biotechnology companies.
- Advance the promise of *in silico* drug creation by leveraging proprietary data and AI.
- Continuously invest in our platform to push the boundaries of science and unlock the untapped power of biology.
- Maintain an entrepreneurial, founder-led, scientifically rigorous, data-driven, and inclusive corporate culture.

## Our Integrated Drug Creation Platform

We built our Integrated Drug Creation Platform to create next-generation biologics including those that lie beyond the scope of nature. To achieve this, we leverage synthetic biology technologies, engineered biodiversity, proprietary functional assays and data-driven deep learning computational models to discover novel disease- and tissue-specific drug targets and next-generation biologic drug candidates while generating optimized production cell lines in parallel. The foundational technologies that power our platform are:

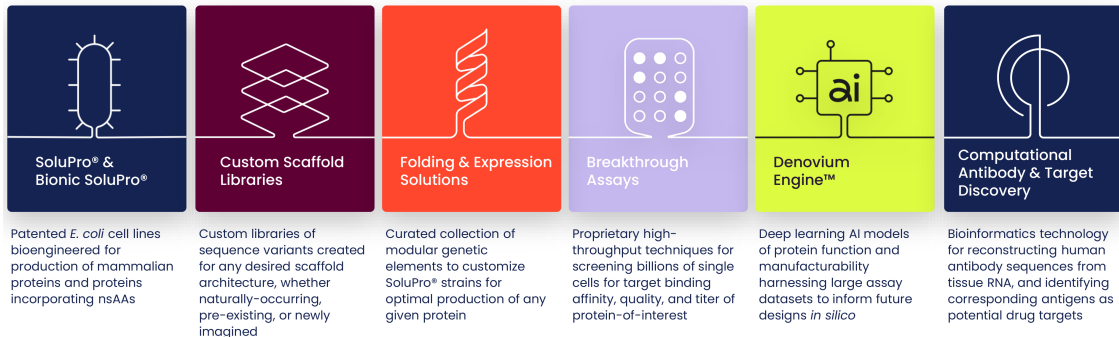
- **SoluPro & Bionic SoluPro:** SoluPro is our patented bioproduction system based on bioengineered *E. coli*. Using synthetic biology techniques, we designed SoluPro to be our chassis cell line and be fundamentally good at making complex mammalian proteins. We believe our SoluPro unlocks evolutionary opportunities by expanding the biological repertoire of proteins that can be produced to include complex new-to-nature proteins such as next-generation biologics. We further engineered a version of SoluPro to facilitate site-specific incorporation of non-standard amino acids (nsAAs) into proteins for scaled production. We refer to these nsAA-containing proteins as Bionic Proteins and the SoluPro strain we use to produce them as Bionic SoluPro.
- **Custom Scaffold Libraries:** We can design and generate custom collections of drug candidate sequence variants for each Discovery program, starting with whatever scaffold our partner specifies, whether natural, pre-existing, or newly-invented, and building out up to billions of different versions to test. These libraries are specifically generated for each program and scaffold, and our AI predictions coupled with our ability to generate libraries in any given scaffold allow us to consider relevant variants that nature could not have proposed. We can also specify nsAA incorporation sites as we design these libraries.
- **Folding & Expression Solutions:** We curate a diverse collection of folding and expression solutions, which are genetic tools that we use to customize SoluPro and optimize

production of the desired protein. Each protein we work on has different characteristics when it comes to manufacturability factors, and with the folding and expression solutions parts library and our synthetic biology methods, we create up to billions of different cell lines and measure each cell's performance to find the solutions that work best for the protein-of-interest. The folding and expression solutions collectively comprise an expansive set of genetic modules and techniques we have assembled, including ribosome binding site sequences, molecular chaperones, and codon-optimization conventions.

- **Breakthrough Assays:** Our proprietary Activity-specific Cell Enrichment (ACE) and High-Throughput Proximity Binding (HiPrBind) Assays allow us to evaluate and sort the millions to billions of drug sequence and cell line variants we generate. Tailored for each of our programs, our high-throughput assays can rank and sort billions of cells based on desired parameters such as target affinity, protein quality, and titer. We are also able to capture datasets correlating protein sequence variants and folding and expression solutions with cell line characteristics. These large, highly complex datasets have the potential to provide us with highly relevant insights about protein function and manufacturability in our system and beyond.
- **Denovium Engine:** Our Denovium Engine is an AI technology that includes deep learning computational models of protein function. The Denovium Engine models, trained on our high-quality data that are particularly relevant to our system, generate non-obvious predictions about the impact of amino acid sequence and cell line characteristics on a given protein's function and manufacturability. A deep learning neural network approach is well-suited to our complex datasets because the models learn what is relevant to the specific objective, without human annotation or bias. We expect the capabilities of the Denovium Engine to grow with each new set of data we generate and input. In the future, we intend to use AI to inform the choice of drug scaffold, define the scope of sequence variants to generate, and design the cell line attributes. We believe this technology may eventually enable us to optimize complex solution space fully *in silico* without the need to physically screen billions of options.
- **Computational Antibody & Target Discovery:** Our computational antibody and target discovery technology is a bioinformatics and machine learning-based platform that allows us to reconstruct sequences of antibodies and other disease-specific proteins from bulk RNA sequencing data (RNA-Seq). We can retrospectively select samples from patients who experienced distinct immune responses and assemble sequences of the most highly expressed monoclonal antibodies present in the tissue of interest. We use these antibodies to identify corresponding target proteins (antigens), and thus we uncover both novel and previously recognized immunogenic targets. We are building a library of tissue- and disease-specific target antigens paired with unique fully human antibodies. Our approach is extensible to identifying other disease state-specific macromolecules relevant to therapeutic responses, such as T-cell receptors.



## absci Foundational Technologies



Our platform integrates biologic drug discovery and cell line development processes, accomplishing these activities in parallel rather than sequentially. We have designed our Integrated Drug Creation Platform to provide the following potential benefits for our partners:

- Accelerated timelines from idea to drug candidate.
- Creation of new biologic modalities.
- Efficient production of complex biologics.
- Design of better drug candidates.
- Increase manufacturing productivity and reduce costs.

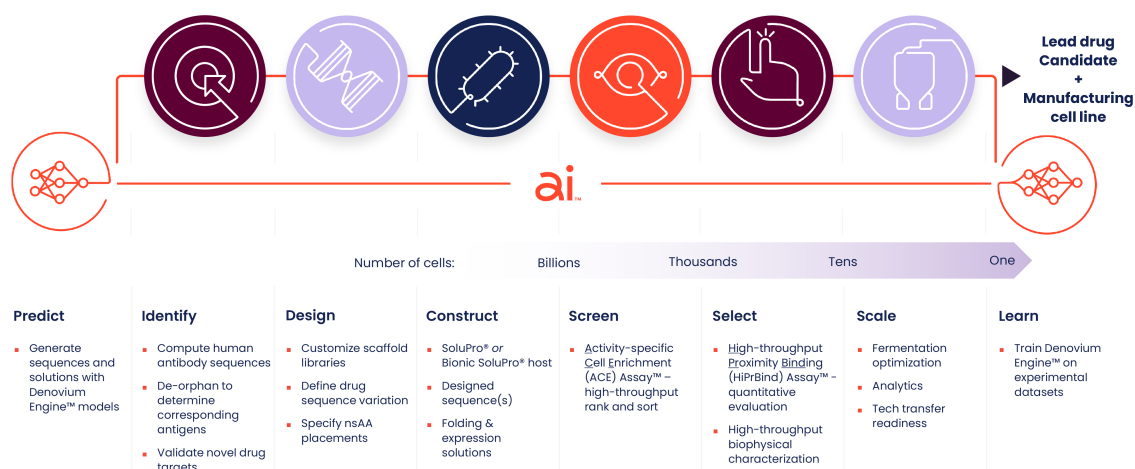
We perform our process using our Integrated Drug Creation Platform to predict biologically interesting variants, identify novel disease targets, design custom libraries of protein-of-interest sequence variants, construct diverse populations of cells with these libraries and our folding and expression solutions, screen and sort these cells based on our desired criteria, select lead drug candidate/cell line combinations having the desired functionality and manufacturability qualities, optimize these leads for scaled manufacturing readiness, and learn by feeding data from our multitude of single cell experiments into our AI models to continually refine our predictions. Our process using our Integrated Drug Creation Platform includes the following steps:

- **Predict:** We expect to use our Denovium Engine AI models to generate non-obvious predictions about what are likely to be optimal drug candidate sequences and cell line designs for any protein-of-interest. The AI combines the collective learnings available in public databases with our own experimental data specifically documenting protein functionality and manufacturability factors relevant to our system. Importantly, our Denovium Engine considers sequences and solutions that it has not seen before, and it may predict entirely new-to-nature protein scaffold elements and sequence motifs or design new biologic modalities. In addition, with data we produce through computational antibody and target discovery technology, we intend to train our Denovium Engine to predict likely drug targets from antibody or other binding protein sequences.
- **Identify:** Starting with disease tissue samples or bulk RNA sequencing data of interest to our partners, we expect to apply our newly acquired computational antibody and target discovery technology to reconstruct sequences of human monoclonal antibodies that are prevalent in the tissue. With our SoluPro expression system and adapted versions of our ACE Assay we believe we can rapidly de-orphan the antibodies, using them as probes to identify their corresponding antigens. Not only are the antigens, whether known or novel, of

potential interest as therapeutic targets, but also the fully human antibody sequences themselves may serve as starting points for lead drug candidate design.

- **Design:** Based on the program goals, we design custom libraries of protein-of-interest variants in the desired scaffold architecture, and specify any desired nsAA placements. Using our Denovium Engine models, we may recommend modifications to the scaffold architecture, as well as define the scope of protein variation to evaluate options beyond sequences that exist in nature. In addition, we also incorporate designs based on folding and expression solutions predicted as relevant by our Denovium Engine models. This entire step is accomplished *in silico*.
- **Construct:** Using synthetic biology approaches, we construct up to billions of genetically distinct SoluPro or Bionic SoluPro cells to evaluate. Each cell contains the instructions to make one version of the protein-of-interest, as well as a different assortment of folding and expression solutions.
- **Screen:** Our proprietary high-throughput ACE Assay allows us to evaluate and sort up to billions of cells. We collect subsets of the population of cells that express the best versions of the protein-of-interest (hits), based on target binding, protein quality, and titer. We are also generating billions of data points describing sequence modifications and combinations of folding solutions contributing to protein affinity, solubility and manufacturability that we use to train our Denovium Engine deep learning model.
- **Select:** With our HiPrBind Assay, using automated multiplexed plate-based methods, we grow micro-batches of each of the thousands of hits from the ACE Assay and perform quantitative characterization of protein function, quality, and titer. We also perform high-throughput biophysical characterization to collect additional data on relevant biophysical attributes that impact developability. We are able to select the best several candidates (leads) in their putative production cell lines for further analytics, as well as collect further data insights to enhance our Denovium Engine models.
- **Scale:** We optimize fermentation conditions for the selected lead strain(s) to demonstrate desired productivity, quality, and scalability. We perform comprehensive analytics on the lead drug candidate(s) for evaluation and technology transfer to our partners.
- **Learn:** Throughout our process, we generate large and complex datasets specifying determinants of protein function and manufacturability. We use these data to train our Denovium Engine to enable its models to make increasingly refined predictions for target identification, drug scaffold sequence variation and cell line design. Our goal is to train the deep learning models with enough data to be able to input a sequence of a new drug target and have the model output a unique, optimal drug scaffold sequence and cell line architecture that we construct and confirm: a process that we refer to as *de novo* biologic drug creation *in silico*.

## abs-ci Integrated Drug Creation Platform



### Applications of our Integrated Drug Creation Platform

Our platform is flexible, and we are able to onboard a given program at multiple points in the biologic target identification, drug discovery, and cell line development process. Starting with a given target and a desired scaffold format for an eventual drug candidate, we may perform comprehensive *de novo* biologic drug discovery through to cell line development. We may enhance discovery opportunities with our partners by building new scaffolds and designing new molecules to incorporate nsAAs to facilitate post-purification chemical modifications. We may further expand program scope to start with target identification activities incorporating our recently acquired computational antibody and target discovery technology. We may also design and optimize a high titer production cell line for a partner's already-established lead drug candidate. We classify our applications into two key categories: Discovery and Cell Line Development (CLD). Since we deliver a production cell line for each of our projects, we define Discovery as any projects for which we are evaluating variants of the protein-of-interest, and we define CLD as a program for which the production cell line alone is the goal of the partnership.

- Discovery:** We commercially launched our initial Discovery applications in December 2020, and to date we have one Discovery program underway for lead optimization. Discovery involves screening for lead drug "hits" directed to the desired target; the target may be provided by a partner or identified using our computational antibody and target discovery technology. Unlike other commonly used screening methods used for biologic drug discovery, we are screening for hit variants *in* the complete scaffold, not a domain fragment to be subsequently reformatted. We also screen *in* production cell line variants. Our Discovery applications are scaffold-agnostic. Whether we are screening variants of an antibody, a T-cell engager, a multivalent Fc-fusion, or any other human- or AI-designed modality, our platform is adaptable to simultaneously optimize for functionality and manufacturability of lead candidates. We believe there is no other commercially available solution that enables comprehensive scaffold-agnostic drug discovery in the desired scaffold format. The Discovery applications that we currently or in the future expect to address with our Integrated Drug Creation Platform are the following:
  - Novel target identification** - From tissue samples that are of particular therapeutic interest, we identify prevalent immune-response molecules such as antibodies along with the corresponding antigens, offering new therapeutic targets as well as cognate binding partners for further validation. Whatever the desired biologic modality, we can

design, construct, and select the appropriate sequence for lead drug development. And we create an optimized production cell line.

- *Scaffold design & drug platform development* - We are uniquely capable of assembling and producing new-to-nature next-generation biologic scaffolds. We may therefore empower our partners with the ability to execute on theoretical modalities, creative fusions, and multivalent molecular hybrids. Within the context of those assembled scaffolds we can evaluate variants to discover new drug candidates designed for optimal target affinity and other desired characteristics. And we create optimized production cell lines.
  - *De novo discovery* - We may perform *de novo* discovery by starting with a desired scaffold format for the desired drug, and creating a library of relevant sequence variants that will establish the target specificity (e.g., CDR regions of antibody). And we create an optimized production cell line.
  - *nsAA incorporation (Bionic Proteins)* - We may engineer a signal into the gene encoding the drug candidate that directs incorporation of an nsAA into the growing protein chain in a site-specific manner. The nsAA provides a handle for chemical modifications including glycosylation, PEGylation, ADC-payload conjugation, and novel branched proteins and chemical conjugates. And we create an optimized production cell line.
  - *Human antibody discovery* - From our catalog of human-derived antibody sequences we are building a collection of unique fully-human monoclonal antibodies with specificity for validated targets of interest. We may optimize monoclonal antibodies or next-generation biologics derived from these sequences as lead drug candidates in partnered programs. And we create an optimized production cell line.
  - *Lead optimization* - We may start with drug discovery leads and introduce modifications into the sequences to evaluate variants for improved target affinity, manufacturability, and other pharmacologic characteristics. Thus we can optimize leads that our partners may advance through preclinical development. And we create an optimized production cell line.
- **Cell Line Development (CLD):** We launched our CLD applications in 2018 as our first commercial offering, and all but one of our ongoing programs are for CLD. Because we deliver a production cell line for each of our projects, we classify a program as CLD only when the production cell line alone is the goal of the partnership, or in other words, when the sequence of the lead drug candidate is locked in. Fundamentally, the process utilizing our Integrated Drug Creation Platform is the same as for our Discovery programs, except that the plasmid libraries we design include a fixed lead drug sequence, with variation limited to the assortment of the folding and expression solutions. Screening and selection steps are aimed at identifying the cell lines with highest titer expression of the drug candidate. Partners typically have come to us with late-preclinical or clinical-stage next-generation biologics for which they have not been able to develop a manufacturing process or for which an existing manufacturing process is poorly performing. As we succeed in these CLD programs, we believe we enable the advancement of next-generation biologic candidates that otherwise would not proceed in development due to manufacturability challenges.

### **Market Opportunity**

Our market opportunity is driven by the number of biologic candidates we generate and the successful development and commercialization of these candidates by our partners. As reflected in

aggregated data from EvaluatePharma® [April, 2021] Evaluate Ltd. (Evaluate Pharma data), there are currently 1,250 companies involved in developing and marketing over 4,950 protein-based biologics, which we define as including candidates categorized as monoclonal antibodies (mAbs), monoclonal antibody conjugates (ADCs), and recombinant products (comprising novel fusion proteins as well as numerous conventional recombinant proteins, peptides, and hormones), but excluding those categorized as cell therapies, DNA and RNA based therapies, gene therapies, plasma-derived therapies, and vaccines. In 2020, cumulative global sales of these protein-based biologics reached approximately \$254 billion, representing 33% of the sales of all drugs. In 2020, 72 protein-based biologics reached blockbuster status with annual worldwide sales higher than \$1.0 billion. Of the total protein-based biologics sales, mAbs represent approximately 63%, with average per product peak sales of \$2.7 billion (median \$1.3 billion). The protein-based biologics market is expected to reach \$418 billion by 2026, representing a compound annual growth rate of approximately 9%. In the near term, we are focused on the next-generation biologics market, which we estimate, based on our analysis of Evaluate Pharma data, to represent approximately 32% of protein-based biologics in Phase 1 clinical development. We estimate next-generation biologics represent a similar proportion of the 2,539 preclinical protein-based biologics. While our Integrated Drug Creation Platform is suited to generation of any type of protein-based biologic, we believe our capabilities are especially differentiated in the area of next-generation biologics. We expect our future programs to be principally in this category as we seek to provide an avenue to expand the number and variety of next-generation biologics in development by our existing and future partners, including with the addition of nsAA-containing Bionic Proteins to their pipelines.

### **Totient Acquisition**

In June 2021, we entered into an agreement and plan of merger, or the merger agreement, with Totient, Inc., or Totient. Totient has developed a bioinformatics and machine learning-based antibody discovery software platform that allows us to computationally reconstruct sequences of antibodies and other disease-specific proteins from bulk RNA sequencing data. To date, Totient has reconstructed more than 4,500 antibodies from over 50,000 patients and has de-orphaned a collection of promising antibodies by identifying and validating their target antigens. Building on Totient's ability to identify fully-human antibodies from patients who demonstrated differentiated immune responses, we expect to generate a large collection of natural human antibodies and target antigens that it may leverage for therapeutic protein design as well as deep learning model training.

Upon consummation of the merger, or the Totient acquisition, in June 2021, Totient became our wholly-owned subsidiary. We paid the former stockholders and noteholders of Totient upfront cash consideration of \$40.0 million, subject to customary purchase price adjustments, including consideration in exchange for the cancellation of (i) unexercised outstanding options to purchase shares of Totient common stock, whether vested or unvested, and (ii) outstanding stock appreciation rights previously granted by Totient. Holders of Totient's Class A common stock also received an aggregate of 669,743 shares of our common stock, subject to certain vesting conditions. In addition, Totient's Class A common stockholders and noteholders are eligible to receive up to an additional \$15.0 million in cash upon the achievement of certain milestones.

### **Our Growth Strategy**

Our goal is to establish our proprietary, end-to-end platform as the industry standard for biologic drug discovery and cell line development. We are laying the groundwork for integration into our partners' discovery organizations, with the goal to be the *de facto* starting point for new drug creation. Our growth strategy is to:

- Establish new partnerships to create biologic drug candidates.
- Increase the number of molecules on which we work with our existing partners.

- Expand the scope of our partnerships across the biologic drug discovery and cell line development value chain.
- Create new biologic modalities and novel conjugates with Bionic Proteins that incorporate nsAAs.
- Grow our platform through R&D and strategic acquisitions.
- Create proprietary biologic assets.
- Leverage our platform to address market opportunities outside of biopharmaceuticals.

### **Risks Associated with our Business**

Our ability to implement our business strategy is subject to numerous risks that you should be aware of before making an investment decision. These risks are described more fully in the section titled “Risk Factors” appearing elsewhere in this prospectus. These risks include, among others:

- Our current business has a limited operating history, which may make it difficult to evaluate our business and predict our future performance.
- We have incurred significant losses since inception, we expect to incur losses in the future and we may not be able to generate sufficient revenue to achieve and maintain profitability.
- Even if this offering is successful, we will need to raise additional capital to fund our operations and improve our platform. If we are unable to raise additional capital on terms acceptable to us or at all, we may need not be able to compete successfully, which would harm our business, operations and financial condition.
- Our historical revenue is primarily related to technology development services, and our revenue for any historical period may not be indicative of results that may be expected for any future period.
- Our commercial success depends on the technological capabilities of our Integrated Drug Creation Platform and its utilization by our existing partners and adoption by new partners.
- Our future success is dependent on the eventual approval and commercialization of biologic drugs developed under our partnerships for which we have no control over the clinical development plan, regulatory strategy or commercialization efforts.
- We are substantially dependent on the successful application of our Integrated Drug Creation Platform to Discovery and Cell Line Development partnerships, and we have only recently begun to enter into Discovery partnerships.
- If we cannot maintain our current relationships with partners, fail to expand our relationships with our current partners, or if we fail to enter into new relationships, our future operating results would be adversely affected as a general matter.
- Biopharmaceutical drug development is inherently uncertain, and it is possible that our technology may not succeed in discovering appropriate molecules or producing cell lines. Even if we do succeed, it is possible that none of the drug candidates discovered using our platform, if any, that are further developed by our partners will achieve development or regulatory milestones, including marketing approval, or become viable commercial technologies, on a timely basis or at all, which would harm our ability to generate revenue.
- We expect to make significant investments in our continued research and development of new technologies and platform expansion, which may not be successful.

- The loss of any member of our senior management team or our inability to attract and retain highly skilled scientists and business development professionals could adversely affect our business.
- Our partners may not achieve projected discovery and development milestones and other anticipated key events in the expected timelines or at all, which could have an adverse impact on our business and our anticipated revenue.
- The biopharmaceutical platform technology market is highly competitive, and if we cannot compete successfully with our competitors, we may be unable to increase or sustain our revenue, or sustain profitability.
- If we are unable to obtain and maintain sufficient intellectual property protection for our technologies, including our platform and Denovium deep learning technology, or if the scope of the intellectual property protection obtained is not sufficiently broad, our competitors could develop and commercialize technologies or a platform similar or identical to ours, and our ability to successfully leverage our platform technologies may be impaired.
- We have identified a material weakness in our internal control over financial reporting, and we may identify additional material weaknesses in the future or otherwise fail to maintain proper and effective internal controls, which may impair our ability to produce accurate financial statements on a timely basis.

### **Corporate History and Information**

We were formed as AbSci, LLC in August 2011 as a limited liability company under the Oregon Limited Liability Act and subsequently converted into a Delaware limited liability company under the laws of the State of Delaware in April 2016. In October 2020, we completed a reorganization whereby we converted from a Delaware limited liability company to a Delaware corporation under the name Absci Corporation. We have three direct wholly-owned subsidiaries, AbSci, LLC, De Novo Design, LLC and Target Discovery Merger Sub II, LLC, and two indirect wholly-owned subsidiaries, Totient UK Ltd. and Totient d.o.o. Beograd. Our principal executive office is located at 101 E 6th Street, Suite 350, Vancouver, WA 98660, and our telephone number is (360) 949-1041. Our website address is [www.absci.com](http://www.absci.com). We do not incorporate the information on or accessible through our website into this prospectus.

### **Trademarks**

This prospectus contains references to our trademarks and service marks and to those belonging to third parties. Absci®, SoluPro® and SoluPure® are our registered trademarks with the U.S. Patent and Trademark Office. We also use various other trademarks, service marks and trade names in our business, including the Absci logo, ACE Assay, HiPrBind Assay, Bionic Proteins, Translating Ideas into Drugs, Bionic SoluPro, Integrated Drug Creation, Denovium, Denovium Engine and TOTIENT. All other trademarks, service marks or trade names referred to in this prospectus are the property of their respective owners. Solely for convenience, the trademarks and trade names in this prospectus may be referred to with or without the ® and ™ symbols, but references which omit the ® and ™ symbols should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto.

### **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 (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, but are not limited to:

- being permitted to present only two years of audited financial statements in this prospectus and only two years of related “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our periodic reports and registration statements, including this prospectus;
- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended (Sarbanes-Oxley Act);
- reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements, and registration statements, including in this prospectus; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We may take advantage of these exemptions for up to five years from the date of effectiveness of this registration statement or such earlier time that we are no longer an emerging growth company. 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 \$1.07 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 nonconvertible debt during the previous three years; or (iv) the last day of the fiscal year in which we are deemed to be a large accelerated filer under the rules of the Securities and Exchange Commission (SEC) which means the market value of our common stock that is held by non-affiliates exceeds \$700 million as of the prior June 30th. We may choose to take advantage of some but not all of these exemptions. 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.

We have elected to utilize the exemption for the delayed adoption of certain accounting standards, and, therefore, we will adopt new or revised accounting standards at the time private companies adopt the new or revised accounting standard and will do so until such time that we either (i) irrevocably elect to “opt out” of such extended transition period or (ii) no longer qualify as an emerging growth company. We may choose to early adopt any new or revised accounting standards whenever such early adoption is permitted for private companies. As a result of this election, the information that we provide in this prospectus may be different than the information you may receive from other public companies in which you hold equity interests.

We are also a “smaller reporting company” as defined in the Securities Exchange Act of 1934, as amended. We may continue to be a smaller reporting company even after we are no longer an emerging growth company. 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 as 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 as measured on the last business day of our second fiscal quarter. Specifically, as a smaller reporting company, we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K and have reduced disclosure obligations regarding executive compensation. Further, if we are a smaller reporting company with less than \$100 million in annual revenue, we would not be required to obtain an attestation report on internal control over financial reporting issued by our independent registered public accounting firm.



## The Offering

**Common stock offered by us**

shares

**Option to purchase additional shares**

We have granted the underwriters an option to purchase up to additional shares of common stock from us. The underwriters can exercise this option at any time within 30 days from the date of this prospectus.

**Common stock to be outstanding immediately after this offering**

shares (or shares if the underwriters exercise their option to purchase additional shares in full).

**Use of proceeds**

We estimate that we will receive net proceeds from the sale of our common stock in this offering of approximately \$ million, or \$ million if the underwriters exercise in full their option to purchase additional shares, assuming an initial public offering price of \$ per share, the midpoint of the price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds from this offering to further our investment in expanding our Integrated Drug Creation Platform's capabilities, continued growth of our business development organization and activities, and for general corporate purposes, including working capital, capital expenditures, and operating expenses. We may also use a portion of the remaining net proceeds, if any, to acquire complementary businesses, products, services or technologies, including scientific expertise, although we have no binding agreements or commitments to do so at this time. See "Use of Proceeds" for additional information.

**Risk Factors**

You should read carefully "Risk Factors" beginning on page 18 and other information included in this prospectus for a discussion of factors that you should consider before deciding to invest in our common stock.

**Proposed Nasdaq Global Market symbol**

"ABSI"

The number of shares of our common stock to be outstanding after this offering is based on shares of common stock (after giving effect to the conversion of 14,006,929 shares of our redeemable convertible preferred stock outstanding as of March 31, 2021 and the conversion of the Convertible Notes issued in March 2021, into an aggregate of shares of our common stock immediately prior to the completion of this offering; the issuance of 669,743 shares of common stock in connection with the Totient Acquisition; and which includes shares outstanding that

are subject to forfeiture or our right to repurchase as of such date) outstanding as of March 31, 2021, and excludes:

- 1,625,055 shares of our common stock issuable upon the exercise of options outstanding as of March 31, 2021, with a weighted-average exercise price of \$3.63 per share;
- 514,786 shares of our common stock issuable upon the exercise of options granted after March 31, 2021, with a weighted-average exercise price of \$13.99 per share;
- 93,007 shares of our common stock issuable upon the exercise of warrants to purchase common stock outstanding as of March 31, 2021, with a weighted-average exercise price of \$1.00 per share;
- 545,639 shares of our common stock reserved for future issuance under our 2020 Stock Option and Grant Plan (2020 Plan) as of March 31, 2021;
- \_\_\_\_\_ shares of our common stock reserved for future issuance under our 2021 Stock Option and Incentive Plan (2021 Plan) which will become available for issuance upon the effectiveness of the registration statement of which this prospectus is a part, as well as any future increases in the number of shares of our common stock reserved for issuance under the 2021 Plan; and
- \_\_\_\_\_ shares of our common stock reserved for future issuance under our 2021 Employee Stock Purchase Plan (2021 ESPP) which will become available for issuance upon the effectiveness of the registration statement of which this prospectus is a part, as well as any future increases in the number of shares of our common stock reserved for issuance under the 2021 ESPP.

Unless otherwise indicated, this prospectus reflects and assumes the following:

- a \_\_\_\_\_-for-\_\_\_\_\_ reverse stock split of our common stock effected on \_\_\_\_\_, 2021;
- the conversion of all outstanding shares of our redeemable convertible preferred stock as of March 31, 2021 into an aggregate of 14,006,929 shares of our common stock immediately prior to the completion of this offering;
- the conversion of our convertible promissory notes issued in March 2021 (Convertible Notes) into an aggregate of \_\_\_\_\_ shares of common stock upon the completion of this offering, assuming an initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the price range set forth on the cover of this prospectus, and that the offering is completed on \_\_\_\_\_, 2021;
- no exercise of the outstanding options described above;
- no exercise by the underwriters of their option to purchase up to \_\_\_\_\_ additional shares of our common stock in this offering; and
- the filing and effectiveness of our amended and restated certificate of incorporation and the adoption of our amended and restated bylaws, which will occur immediately prior the completion of this offering.

## **Summary Consolidated Financial Data**

The following summary consolidated statements of operations and comprehensive loss data for the years ended December 31, 2019 and 2020 and the summary consolidated balance sheet data as of December 31, 2020 have been derived from our audited consolidated financial statements appearing elsewhere in this prospectus, and the following summary consolidated statements of operations and comprehensive loss data for the three months ended March 31, 2021 and 2020 and the summary consolidated balance sheet data as of March 31, 2021 have been derived from our unaudited consolidated financial statements appearing elsewhere in this prospectus, in each case, except for the pro forma and pro forma adjusted data. We have prepared the unaudited interim financial statements on the same basis as our audited financial statements and, in the opinion of management, these financial statements reflect all adjustments, consisting only of normal recurring adjustments, that are necessary for the fair presentation of our unaudited interim financial statements. You should read the following summary consolidated financial data together with the "Selected Consolidated Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of this prospectus and our consolidated financial statements and the related notes appearing elsewhere in this prospectus. Our historical results are

not necessarily indicative of the results that may be expected in any future periods, and our interim results are not necessarily indicative of results that may be expected for the full year.

	For the Years Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
(in thousands, except for share and per share data)				
<b>Consolidated Statements of Operations Data:</b>				
Revenues				
Technology development revenue	\$ 2,044	\$ 4,117	\$ 525	\$ 940
Collaboration revenue	16	663	47	123
Total revenues	2,060	4,780	572	1,063
Operating expenses				
Research and development	4,311	11,448	1,907	7,050
Selling, general and administrative	3,523	5,502	971	4,685
Depreciation and amortization	491	1,131	184	476
Total operating expenses	8,325	18,081	3,062	12,211
Operating loss	(6,265)	(13,301)	(2,490)	(11,148)
Other income (expense)				
Interest expense	(268)	(634)	(98)	(455)
Other expense, net	(51)	(418)	(70)	164
Total other expense, net	(319)	(1,052)	(168)	(291)
Loss before income taxes	(6,584)	(14,353)	(2,658)	(11,439)
Income tax benefit	—	—	—	477
Net loss and comprehensive loss	(6,584)	(14,353)	(2,658)	(10,962)
Adjustment of redeemable convertible preferred units and stock	(17,286)	(34,336)	(11,154)	—
Cumulative undeclared preferred stock dividends	—	(780)	\$ —	(995)
Net loss applicable to common stockholders and unitholders	\$ (23,870)	\$ (49,469)	\$ (13,812)	\$ (11,957)
Net loss per share attributable to common stockholders and unitholders:				
Basic and diluted	\$ (5.18)	\$ (10.55)	\$ (3.00)	\$ (2.33)
Weighted-average common shares and units outstanding:				
Basic and diluted	4,606,505	4,691,020	4,606,505	5,140,648
Pro forma net loss per share attributable to common shareholders:				
Basic and Diluted <sup>(1)</sup>				
Pro forma weighted-average common shares outstanding:				
Basic and Diluted <sup>(1)</sup>				

(1) See the subsection titled "Management's Discussion and Analysis of Financial Condition and Results of Operations— Pro Forma Information" for an explanation of the calculations of our basic and diluted pro forma net loss per share, and the weighted-average number of shares outstanding used in the computation of the per share amounts.

As of March 31, 2021

	Actual	Pro Forma <sup>(1)</sup>	Pro Forma, As Adjusted <sup>(2)(3)</sup>
(in thousands)			
<b>Consolidated Balance Sheet Data:</b>			
Cash and cash equivalents	\$ 180,756		
Working capital <sup>(4)</sup>	167,953		
Total assets	222,833		
Total liabilities	159,959		
Redeemable convertible preferred stock	161,377		
Accumulated deficit	(101,027)		
Total other stockholders' deficit	(98,503)		

- (1) The pro forma column in the balance sheet data table above gives effect to (i) the conversion of all outstanding shares of our redeemable convertible preferred stock as of March 31, 2021 into an aggregate of 14,006,929 shares of our common stock immediately prior to the completion of this offering; and (ii) the issuance of \_\_\_\_\_ shares of common stock upon the conversion of all outstanding principal and accrued interest on the Convertible Notes upon the completion of this offering, assuming an initial public offering price per share of \$ \_\_\_\_\_, the midpoint of the price range set forth on the cover of this prospectus, and assuming that the offering is completed on \_\_\_\_\_, 2021, and (iii) the completion of the Totient Acquisition (other than the potential payment of the additional \$15.0 million for achievement of certain milestones).
- (2) The pro forma as adjusted column in the balance sheet data table above gives effect to (i) the pro forma adjustments set forth in footnote (1) above; and (ii) the sale of shares of common stock in this offering at an assumed initial public offering price of \$ \_\_\_\_\_ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.
- (3) Each \$1.00 increase or decrease in the assumed initial public offering price of \$ \_\_\_\_\_ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, the amount of cash and cash equivalents, working capital, total assets and total other stockholders' (deficit) equity by approximately \$ \_\_\_\_\_ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. Each increase or decrease of 1.0 million in the number of shares we are offering would increase or decrease, as applicable, the amount of each of cash and cash equivalents, working capital, total assets and total other stockholders' (deficit) equity by approximately \$ \_\_\_\_\_ million, based on the assumed initial public offering price per share, the midpoint of the price range as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma as adjusted information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing.
- (4) We define working capital as current assets less current liabilities.

## Risk Factors

*Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below, as well as the other information in this prospectus, including our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations," before deciding whether to invest in our common stock. The occurrence of any of the events or developments described below could materially harm our business, financial condition, results of operations and prospects. In such an event, the market price of our common stock could decline, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations.*

### **Risks Related to Our Limited Operating History, Financial Condition and Prospects**

***Our current business has a limited operating history, which may make it difficult to evaluate our business and predict our future performance.***

Our current business has a limited operating history. We began commercial operations in 2018. Before engaging in commercial operations, we focused primarily on technology development. Our revenue for the fiscal years ended December 31, 2019 and 2020 was \$2.1 million and \$4.8 million, respectively, and for the three months ended March 31, 2021 was \$1.1 million. Our revenue was generated primarily from technology development activities. We are very early in the adoption phase of our business model, and, to date, no partner has entered into a license for clinical or commercial use of any intellectual property rights related to biologic drug candidates or cell lines generated utilizing our platform. Moreover, we have only agreed upon clinical or commercial license terms for two of our Active Programs in the event an option is exercised by a partner to license such intellectual property rights. We may never achieve commercial success and we have limited historical financial data upon which we may base our projected revenue. We also have limited historical financial data upon which we may base our planned operating expense or upon which you may evaluate our business and prospects. Based on our limited experience in developing and marketing new technologies, we may not be able to effectively:

- drive adoption of our technologies;
- attract and retain partners;
- enter into licensing arrangements with our partners following completion of our technology development activities;
- establish partnerships that contain economic terms sufficient to make our business model viable;
- achieve sufficient near term revenue or capital to sustain our business to enable us to receive the downstream economics of our existing or future partnerships;
- expand the scope of our existing partnerships;
- anticipate and adapt to changes in our the existing and emerging markets in which we operate;
- focus our technology development efforts in areas that generate returns on these efforts;
- succeed in achieving our technology development goals.
- maintain and develop strategic relationships with suppliers to acquire necessary materials and equipment for the development of our technologies on appropriate timelines, or at all;

- implement an effective business development strategy to drive adoption of our Integrated Drug Creation Platform by new and existing partners;
- scale our technology development activities to meet potential demand at a reasonable cost;
- acquire, in-license or otherwise obtain technologies that enable us to expand our platform capabilities;
- avoid infringement of third-party intellectual property rights;
- obtain licenses on commercially reasonable terms to third-party intellectual property rights, as needed for our current and planned operations;
- obtain and maintain valid and enforceable patents and other intellectual property rights that give us a competitive advantage;
- protect our proprietary technologies; and
- attract, retain and motivate qualified personnel.

In addition, a substantial portion of our expenses have been and will continue to be fixed. Accordingly, if we do not generate revenue as and when anticipated, our losses may be greater than expected and our operating results will suffer. You should consider the risks and difficulties frequently encountered by companies like ours in new and rapidly evolving markets when making a decision to invest in our common stock.

***We have incurred significant losses since inception, we expect to incur losses in the future and we may not be able to generate sufficient revenue to achieve and maintain profitability.***

We have incurred significant losses since our inception. For the years ended December 31, 2019 and 2020, we incurred net losses of \$6.6 million and \$14.4 million, respectively, and for the three months ended March 31, 2021 we incurred net losses of \$11.0 million. As of March 31, 2021, we had an accumulated deficit of \$101.0 million. We expect that our operating expenses will continue to increase as we grow our business and will also increase as a result of our becoming a public company. Since our inception, we have financed our operations primarily from private placements of our preferred equity securities, convertible promissory notes and the incurrence of other indebtedness, and to a lesser extent, revenue derived from our Integrated Drug Creation Platform. We have devoted substantially all of our resources to the development of our Integrated Drug Creation Platform and commercialization of resulting technology development capabilities. We will need to generate significant additional revenue to achieve and sustain profitability, and even if we achieve profitability, we cannot be sure that we will remain profitable for any substantial period of time. We may never be able to generate sufficient revenue to achieve or sustain profitability and our recent and historical growth should not be considered indicative of our future performance.

***Even if this offering is successful, we will need to raise additional capital to fund our operations and improve our platform. If we are unable to raise additional capital on terms acceptable to us or at all, we may not be able to compete successfully, which would harm our business, operations, and financial condition.***

Based on our current business plan, we believe the net proceeds from this offering, together with our existing cash and cash equivalents and anticipated cash flows from operations, will be sufficient to meet our working capital and capital expenditure needs over at least the next 12 months following the date of this prospectus. If our available cash resources together with our net proceeds from this offering and anticipated cash flow from operations are insufficient to satisfy our liquidity requirements, including because of lower demand for the application of our Integrated Drug Creation Platform to biologic drug discovery or cell line development, or the realization of other risks described in this prospectus, we will be required to raise additional capital prior to such time

through issuances of equity or convertible debt securities, entrance into a credit facility or another form of third party funding, or seek other sources of financing. Such additional financing may not be available on terms acceptable to us or at all.

In any event, we may consider raising additional capital in the future to expand our business, to pursue strategic investments, to take advantage of financing opportunities or for other reasons. For example, this may include reasons such as to:

- increase our business development efforts to drive market recognition of our platform and address competitive developments;
- fund business development efforts for our current and future programs;
- expand the capabilities of our platform into additional areas of biopharmaceutical research and development, such as drug target discovery;
- acquire, license or invest in additional technologies or complementary businesses or assets;
- pursue opportunities to apply our protein creation technologies beyond the biopharmaceutical industry; and
- finance capital expenditures and general and administrative expenses.

Our present and future funding requirements will depend on many factors, including:

- our ability to achieve revenue growth;
- the cost of expanding our operations, including our business development efforts;
- our rate of progress in selling access to our platform and business development activities associated therewith;
- our rate of progress in, and cost of development of new technologies;
- the effect of competing technological and market developments; and
- costs related to any domestic and international expansion.

The various ways we could raise additional capital carry potential risks. If we raise funds by issuing equity securities, dilution to our stockholders would result. Any preferred equity securities issued also would likely provide for rights, preferences or privileges senior to those of holders of our common stock. If we raise funds by issuing debt securities, those debt securities would have rights, preferences and privileges senior to those of holders of our common stock. Debt financing and preferred equity financing, if available, may also involve agreements that include covenants restricting our ability to take specific actions, such as incurring additional debt, selling or licensing our assets, making asset acquisitions, making capital expenditures, or declaring dividends.

If we are unable to obtain adequate financing or financing on terms satisfactory to us, if we require it, our ability to continue to pursue our business objectives and to respond to business opportunities, challenges, or unforeseen circumstances could be significantly limited, and could have a material adverse effect on our business, financial condition, results of operations and prospects.

***Substantially all of our historical revenue is related to technology development activities, and we have not demonstrated the ability to enter into a sufficient number of partnerships providing for long-term license arrangements under which we are entitled to receive milestone payments or royalties on net product sales. We have not received***



***any such milestone or royalty revenues to date, and it may be years before we realize any such revenues, if at all.***

For the years ended December 31, 2019 and 2020 and for the three months ended March 31, 2021, substantially all of our revenue was generated by technology development fees through performing technology development activities addressing molecules in programs for our programs. To date, such fees have generally been payable upon both the inception of, and the demonstration of technical achievement of program milestones, under technology development agreements with our partners. Our business model is dependent on the successful completion of the technology development phase under these arrangements and, more importantly, on our subsequent entry into long-term license arrangements with our partners that entitle us to development, regulatory and commercial milestones and/or royalties with respect to product candidates generated through our platform, which may include product candidates discovered and/or manufactured in cell lines developed by us. We are still in the very early stages of implementing our business model and, to date, no partner has entered into a license for clinical or commercial use of any intellectual property rights related to biologic drug candidates or cell lines generated utilizing our platform. Moreover, we have only agreed upon clinical or commercial license terms for two of our Active Programs in the event an option is exercised by a partner to license such intellectual property rights. If we are unable to maintain partnerships covering Active Programs (including if any partnership covering an Active Program is terminated during or upon completion of the technology development phase) or we are otherwise unable to enter into license agreements for our Active Programs, we will not receive any downstream payments under these programs, which will have a material and adverse effect on our business prospects. Additionally, any such license agreements that we may enter into may not be on terms that are favorable to us, or such license agreements may be terminated.

Technology development fees are generated by technology development activities that we perform for our partners, the timing and nature of which are dictated by the timing of program commencement, which depends on various permissions, information and supplies provided by our partners and/or third party vendors as well as the pace of program progression and receipt of ongoing input from our partners. Our eligibility to receive milestone payments is generally subject to the negotiation of future arrangements, as described above. As a result, we currently do not generate significant recurring revenue and, until we are able to establish significant recurring revenue, if at all, we will be prone to regular fluctuations in our revenue dependent on the timing of our entry into partnership agreements, our partners advancing subject programs, and our partners achieving development milestones or commercial sales with respect to drug candidates discovered and/or manufactured in cell lines developed by us.

#### **Risks Related to Our Business Model and Partnerships**

***Our commercial success depends on the technological capabilities of our Integrated Drug Creation Platform and its utilization by our existing partners and adoption by new partners.***

We utilize our Integrated Drug Creation Platform to identify biopharmaceutical drug candidates and associated production cell lines for further development and potential commercialization by our partners. As a result, the quality and sophistication of our platform and technology are critical to our ability to conduct our technology development activities and to deliver more promising molecules and cell lines and to accelerate and lower the costs of discovery and cell line development for our existing and potential partners, as compared to other methods. In particular, our business depends, among other things, on:

- our platform's ability to successfully identify appropriate molecules and production cell lines for our partners and provide them to our partners on the desired timeframes;

- our partners' determination that the product candidates and/or production cell lines that we provide to them can ultimately be used to advance our partners' clinical development programs;
- our partners' willingness to enter into license agreements with economic terms that are acceptable to us, which is based substantially on the value our partners believe can be recognized from the product candidates and/or production cell lines that we provide to them;
- our ability to execute on our strategy to enter into new partnerships with new or existing partners on technology development terms that are acceptable to us;
- our ability to increase awareness of the capabilities of our technologies and solutions;
- our partners' and potential partners' willingness to adopt our technologies;
- whether our platform reliably provides advantages over legacy and other alternative technologies and is perceived by partners to be cost effective;
- the rate of adoption of our technologies by pharmaceutical companies, biotechnology companies of all sizes, government organizations and non-profit organizations and others;
- prices we charge for our technology and the discoveries that we make;
- the relative reliability and robustness of our platform;
- our ability to develop new technologies for partners;
- our platform's ability to offer sufficient cost effectiveness, efficiency, and performance to warrant partners' continued adoption of and ongoing reliance on our technologies;
- our platform's ability to screen a high number of cells and drug candidates;
- whether competitors develop a platform that enables biologic drug discovery and cell line development more effectively than our platform;
- the status of the market for next-generation biologics, which may become less attractive due to business or regulatory factors;
- our ability to bioengineer our bespoke *E. coli* SoluPro and Bionic SoluPro strains to produce certain types of proteins;
- our ability to adapt our assays to screen effectively for certain types of drug modalities or targets;
- our ability to adapt our assays to de-orphan antibodies we discover through technology acquired through our acquisition of Totient;
- our ability to construct diverse genetic libraries covering sufficient diversity of protein sequence variants and folding and expression solutions combinations;
- our ability to reliably adapt our assays to each program to screen large strain libraries and routinely identify molecules/strains that meet the program deliverables;
- our ability to optimize our fermentation conditions to scale at an effective level;
- our ability to use our deep learning AI to generate actionable biological insights;
- our platform's ability to create new drug modalities and novel conjugates;

- our platform's ability to incorporate non-standard amino acids into proteins with high efficiency and fidelity;
- the timing and scope of any approval that may be required by the U.S. Food and Drug Administration (FDA) or any other regulatory body for drugs that are developed based on molecules discovered and/or manufactured using our Integrated Drug Creation Platform technologies;
- our partners' and the biopharmaceutical industry's continued interest and investment in next-generation biologic drug development, and the continued market growth and clinical success of this category collectively;
- the impact of our investments in innovation and commercial growth;
- negative publicity regarding our or our competitors' technologies resulting from defects or errors; and
- our ability to further validate and enhance our platform through research and technology development activities.

There can be no assurance that we will successfully address any of these or other factors that may affect the market acceptance of our platform or our technology. If we are unsuccessful in achieving and maintaining market acceptance of our platform, our business, financial condition, results of operations and prospects could be adversely affected.

***We are substantially dependent on the successful application of our Integrated Drug Creation Platform to biologic drug discovery and cell line development partnerships, and we have only recently begun to enter into biologic drug discovery partnerships.***

To date, we have invested nearly all of our efforts and financial resources in technology development relating to our bespoke *E. coli* SoluPro and Bionic SoluPro strains. The biologic drug discovery and cell line development business is capital intensive, particularly for early stage companies that do not have significant off-setting revenues.

Our success is dependent on our ability to drive adoption of our platform by partners, developing technologies for our partners, and entering into license agreements with such partners. Further, our success depends upon our expansion of our existing partnerships, and entry into new partnerships, to include our Discovery applications, as well as continuing to drive adoption of our Cell Line Development applications. Substantially all of our revenue generated to date is from technology development arrangements for our Cell Line Development applications. To date, we have very limited experience and expertise in the biologic drug discovery using our platform and have not demonstrated success in expanding our platform into biologic drug discovery. In order to realize the benefits of such an expanded scope of our Integrated Drug Creation Platform, we need to further advance our technology and further market our expanded capabilities to existing and new partners.

Our future revenue growth and market potential may depend on our ability to leverage our Integrated Drug Creation Platform, together with our custom libraries and other proprietary tools, into other areas of biopharmaceutical research and development, such as biologics drug discovery. However, we may not be able to successfully validate that our Integrated Drug Creation Platform will accelerate the hit identification and lead optimization steps of biologic drug discovery or that they will allow us to discover more effective drugs.

Our inability to continue these initiatives and initiate new technology development efforts could result in a failure to develop our platform, improve upon existing technologies, develop and advance the opportunities like biologics drug discovery, and expand our addressable market, each of which could have a material and adverse impact on our business development, business, financial position and results of operations.

We do not expect to generate significant recurring revenue unless and until such time as we enter into further agreements that, in the aggregate, result in regular and continuous fees for our performance of technology development activities, and, more importantly, agreements under which we would be eligible for future payments upon our partners' achievement of development and regulatory milestones or commencement of commercial sales with respect to any drug candidates generated using our platform. We are unable to predict whether and the extent to which payments will be made to us under our arrangements and whether and the extent to which we will be able to enter into future arrangements under which we are eligible to generate additional revenues, or the timing of the achievement of any milestones under these agreements, if they are achieved at all. The timing and likelihood of payments to us under these agreements is dependent on our partners' successful utilization of the molecules discovered using our platform, which is outside of our control. Because of these factors, our operating results could vary materially from quarter to quarter.

***Our future success is dependent on the eventual approval and commercialization of biologic drugs developed under our partnerships for which we have no control over the clinical development plan, regulatory strategy or commercialization efforts.***

Our business model is dependent on the eventual progression of biologic drug candidates discovered or initially developed utilizing our Integrated Drug Creation Platform into clinical trials and commercialization. This requires us to attract partners and enter into agreements with them that contain obligations for the partners to pay us milestone payments as well as royalties on sales of approved products for the biologic drug candidates they develop that are generated utilizing our platform. Given the nature of our relationships with our partners, we do not control the progression, clinical development, regulatory strategy or eventual commercialization, if approved, of these product candidates. As a result, our future success and the potential to receive milestones and royalties are entirely dependent on our partners efforts for which we have no control. If our partners determine not to proceed with the future development of a product candidate discovered or initially developed utilizing our Integrated Drug Creation Platform or if it implements a clinical or regulatory strategy that ultimately does not enable the further development or approval of the product candidate, we will not receive the benefits of our partnerships, which may have a material and adverse effect on our operations.

In addition, biologic drug development is inherently uncertain and very few product candidates ultimately progress through clinical development and receive approval for commercialization. See the risk factor section below "*Risks Related to Biologic Drug Development*" for additional information related to the risks of biologic drug development. If our partners do not receive regulatory approval for a sufficient number of product candidates originating from our partnerships, we may not be able sustain our business model. Further, we will have little control over how diversified our portfolio of potential milestone payments or royalties will end up being.

While as a general matter we intend to periodically report on the status of our business development initiatives, including anticipated next steps, we may not provide forward-looking guidance on the timing of those next steps. In addition, we do not control the timing of disclosure by our partners of any milestones or other information related to any drug candidates generated using our platform. Any disclosure by us or our partners of data or other information regarding any such drug candidates that is perceived as negative may have a material adverse impact on our stock price or overall valuation. Our stock price may also decline as a result of negative clinical trial results, including adverse safety events involving any drug candidate that is subject to one of our partnerships.

***If we cannot maintain our current relationships with partners, fail to expand our relationships with our current partners, or if we fail to enter into new relationships, our future operating results would be adversely affected as a general matter.***

In the years ended December 31, 2019 and 2020, revenue from our top 3 partners and top 2 partners accounted for 87% and 77% of our technology development revenue, respectively. In the three months ended March 31, 2021, revenue from one partner accounted for 90% of our technology development revenue. The revenue attributable to these partners may fluctuate in the future, which could have an adverse effect on our business financial condition, results of operations and prospects. Our existing partners may cease to use our technologies depending on their own technological developments, availability of other competing technologies and internal decisions regarding allocation of time and resources to the discovery and development of biologic product candidates, over which we have no control. Our existing and future partners may have limited bandwidth to initiate new programs, which could limit their adoption or scale of application of our technologies. In addition, existing partners may choose to produce some or all of their requirements internally by using or developing their own manufacturing capabilities or by using capabilities from acquisitions of assets or entities from third parties with such capabilities. While our business is not substantially dependent on technology development revenues from any individual partner, because we currently have a limited number of partnerships, a loss of one of our partners could adversely impact our revenue, results of operations, cash flows or reputation in any given period.

Our future success also depends on our ability to expand relationships with our existing partners and to establish relationships with new partners. We engage in discussions with other companies and institutions regarding potential technology development and license opportunities on an ongoing basis, which can be time consuming. There is no assurance that any of these discussions will result in a technology development and/or license agreement, or if an agreement is reached, that the resulting relationship will be successful, or that the terms of such agreement will be favorable to us. In addition, although we have entered into a Joint Marketing Agreement with KBI Biopharma, Inc., this agreement may not lead to any future business opportunities. In addition, our ability to monitor the achievement of clinical, regulatory and commercial milestones by our partners and enforce the payment of any corresponding fees is limited. Furthermore, the termination of any of these relationships could result in a temporary or permanent loss of revenue. Additionally, speculation in the industry about our existing or potential commercial relationships can be a catalyst for adverse speculation about us and our technology, which can adversely affect our reputation and our business.

We cannot assure investors that we will be able to maintain or expand our existing partnerships or that our technologies will achieve adequate market adoption among new partners. Any failure to increase penetration in our existing markets or new markets would adversely affect our ability to improve our operating results.

***Our revenue under our technology development and other partner agreements for any particular period, or on an absolute basis, can be difficult to forecast.***

Because of the complexities and long development timelines inherent in the biologic drug development business, it is difficult to predict the timing of payments under our technology development and other partner agreements. In particular, payments under our technology development agreements are subject to the achievement of project milestones and our partners' decisions to initiate or continue the technology development work, and any future downstream payments with respect to product candidates generated using our platform will be subject to our partners' advancement of the product candidates, over which we have no control. As a result, our revenue for any particular period can be difficult to forecast. Our revenue may grow at a slower rate than in past periods or even decline on a year-over-year basis. Because of these factors, our operating results could vary materially from quarter to quarter from our forecasts. Also, due to the limited probability of success for advancement of a clinical candidate by a partner at any given

stage of development and the unpredictability of when a partner may choose to continue development of a product candidate and whether any milestone payments will be due to us, our revenue may be difficult to forecast on an absolute basis.

Additionally, we recognize revenue either as we perform our technology development, upon completion of performing our technology development or upon achieving certain licensing, clinical, regulatory, and commercialization milestones. As a result, much of our revenue is generated from agreements entered into during previous periods. Consequently, a decline in demand for our platform, a decline in new or renewed business in any one quarter or any delays in the achievement, or any failure to achieve, development, regulatory and commercial milestones by our partners with respect to product candidates generated using our platform, may not significantly reduce our revenue for that quarter but could negatively affect our revenue in future quarters. Our revenue recognition model also makes it difficult for us to rapidly increase our revenue through increased operations in any period, as revenue from partners is recognized over the course of their drug development and commercialization process.

***We expect to make significant investments in our continued research and development of new technology development and platform expansion, which may not be successful.***

We are seeking to leverage our Integrated Drug Creation Platform as a consolidated technology for simultaneous biologic drug discovery and cell line development. We are seeking to expand our platform and the scope of our capabilities, which may or may not be successful. This includes, but is not limited to, drug discovery, incorporation of non-standard amino acids (nsAAs), and application of artificial intelligence across our Integrated Drug Creation Platform. We expect to incur significant expenses to advance these research and development efforts or to invest in, or acquire complementary technologies, but these efforts may not be successful. For instance, we have very limited experience with the discovery of novel biologic drug candidates and incorporation of nsAAs, and have not yet deployed these technologies in the context of partnered programs. Additional development will be required for the routine and robust use of these technologies in partnered programs. Through the course of additional technology development, significant unanticipated challenges may arise that adversely affect our future partnership prospects. To expand the scope of our platform, we acquired Denovium, an AI company leveraging deep learning for protein discovery and engineering, in January 2021 and Totient, a computational antibody and target discovery platform company, in June 2021. We are working to integrate the Denovium deep learning technology and the Totient antibody and target discovery technology into our Integrated Drug Creation Platform to accelerate drug discovery and cell line development efforts. Our long-term goals for this technology, such as constructing deep learning models capable of *in silico* target identification and drug and cell line design, will require significant investment and long development times and may ultimately never materialize.

Additionally, we may make significant investments in proprietary drug candidates we seek to discover, and any discovery and subsequent development efforts for such drug candidates may not be successful. Such investments may be costly, and given the uncertain nature of biologic drug discovery and development, our efforts in this field may not be successful. We may also make significant investments in pursuing technology development in industries other than the biopharmaceutical industry, and such pursuits may not be successful. We have no prior experience in using our technology platform in industries outside of the biopharmaceutical industry, and the economic structure of any future transactions in other industries may be more unfavorable to us than transactions in the biopharmaceutical industry.

Developing new technologies is a speculative and risky endeavor. Technologies that initially show promise may fail to achieve the desired results or may not achieve acceptable levels of analytical accuracy or clinical utility. We may need to alter our technologies in development before we identify a potentially successful technology. Technology development is expensive, may take years to complete and can have uncertain outcomes. Failure can occur at any stage of the development.

Additionally, development of any technology may be disrupted or made less viable by the development of competing technologies, and changes in the industry in which our technologies are applied could obsolete our technologies. For example, advancements in gene therapy or RNA-based vaccine technologies could significantly reduce the market share of protein-based biologics.

New potential technologies may fail any stage of development or commercialization and if we determine that any of our current or future technologies are unlikely to succeed, we may abandon them without any return on our investment. If we are unsuccessful in developing or acquiring additional technologies, our potential for growth may be impaired.

***The failure of our partners to meet their contractual obligations to us could adversely affect our business.***

Our reliance on our partners poses a number of additional risks, including the risk that they may not perform their contractual obligations to us to our standards, in compliance with applicable legal or contractual requirements, in a timely manner or at all; they may not maintain the confidentiality of our proprietary information; and disagreements or disputes could arise that could cause delays in, or termination of, the research, development or commercialization of products generated using our platform or result in litigation or arbitration.

In addition, certain of our partners are large, multinational organizations that run many programs concurrently, and we are dependent on their ability to accurately track and make milestone payments to us pursuant to the terms of our agreements with them. Any failure by them to inform us when milestones are reached and make related payments to us could adversely affect our results of operations.

Moreover, some of our future partners may be located in markets subject to political and social risk, corruption and infrastructure problems, and could be subject to country-specific privacy and data security risk as well as burdensome legal and regulatory requirements. Any of these factors could adversely impact their financial condition and results of operations, which could impair their ability to meet their contractual obligations to us and have a material adverse effect on our business, financial condition and results of operations.

***Our partners may not achieve projected discovery and development milestones and other anticipated key events in the expected timelines or at all, which could have an adverse impact on our business and our anticipated revenue.***

From time to time, we may make public statements regarding the expected timing of certain milestones and key events, as well as regarding developments and milestones under our partnerships, to the extent that our partners have publicly disclosed such information or permit us to make such disclosures. Certain of our partners may in the future make statements about their goals and expectations for partnerships with us. The actual timing of these events can vary dramatically due to a number of factors such as delays or failures in our or our current and future partners' drug discovery and development programs, the amount of time, effort, and resources committed by us and our current and future partners, and the numerous uncertainties inherent in the development of drugs. Additionally, to date, none of our partners has successfully completed any regulatory submissions, such as investigational new drug (IND) applications or biologics license applications (BLAs), for any drug candidates generated using our platform. As a result, there can be no assurance that our partners' current and future programs will advance or be completed in the time frames we or they expect. If our partners fail to achieve one or more of these milestones or other key events as planned, our business could be materially adversely affected and we may never receive the anticipated revenues from these partnerships.

***Our partners have significant discretion in determining when and whether to make announcements, if any, about the status of our partnerships, including about clinical developments and timelines for advancing collaborative programs, and the price of our***

***common stock may decline as a result of announcements of unexpected or negative results or developments.***

Our partners have significant discretion in determining when and whether to make announcements about the status of our partnerships, including about preclinical and clinical developments and timelines for advancing product candidates generated using our platform. We do not plan to disclose the development status and progress of individual drug candidates of our partners, unless and until those partners do so first. Our partners may wish to report such information more or less frequently than we expect, or they may not report such information at all, in which case we would not report that information either. In addition, if a partner chooses to announce a partnership with us, there is no guarantee that we will receive technology development revenue in that quarter or even the following quarter, as such revenue is only payable to us in accordance with the terms of the agreements governing such partnerships. The price of our common stock may decline as a result of the public announcement of unexpected results or developments in our partnerships, or as a result of our partners withholding such information.

**Risks Related to Biologic Drug Development**

***Biologic drug development is inherently uncertain, and it is possible that our technology may not succeed in discovering appropriate molecules or producing cell lines. Even if we do succeed, it is possible that none of the drug candidates discovered using our platform, if any, that are further developed by our partners will achieve development or regulatory milestones, including marketing approval, or become viable commercial technologies, on a timely basis or at all, which would harm our ability to generate revenue.***

We use our platform to identify biologic drug candidates and develop cell lines for the production of drug candidates for partners who are engaged in biologic drug discovery and development. These partners include large pharmaceutical companies, smaller biotechnology companies and may in the future include non-profit and government organizations. While we receive payments for performing research activities and successfully completing technical program deliverables and milestones for our partners, we anticipate that the vast majority of the economic value of the contracts that we enter into with our partners will be in the downstream payments that would be payable if certain milestones are met by our partners with respect to product candidates identified and manufactured using bespoke cell lines developed by our Integrated Drug Creation Platform and royalties on net sales if such product candidates are approved for marketing and successfully commercialized. As a result, our future growth is dependent on the ability of our partners to successfully develop and commercialize therapies based on molecules generated using our platform. Due to our reliance on our partners, the risks relating to product development, regulatory clearance, authorization or approval and commercialization apply to us indirectly through the activities of our partners. Even if our platform is capable of identifying high quality biologic drug candidates, there can be no assurance that our partners will successfully develop, secure marketing approvals for and commercialize any drug candidates based on the proteins that we discover. As a result, we may not realize the intended benefits of our partnerships.

Due to the uncertain, time-consuming and costly clinical development and regulatory approval process, our partners may not successfully develop any drug candidates generated using our platform, or our partners may choose to discontinue the development of these drug candidates for a variety of reasons, including due to safety, risk versus benefit profile, exclusivity, competitive landscape, commercialization potential, production limitations or prioritization of their resources. It is possible that none of these drug candidates will ever receive regulatory approval and, even if approved, such drug candidates may never be successfully commercialized.

In addition, even if these drug candidates receive regulatory approval in the United States, our partners may never obtain approval or commercialize such drugs outside of the United States, which would limit their full market potential and therefore our ability to realize their potential downstream value. Furthermore, approved drugs may not achieve broad market acceptance among



physicians, patients, the medical community and third-party payors, in which case revenue generated from their sales would be limited. Likewise, our partners have to make decisions about which clinical stage and pre-clinical drug candidates to develop and advance, and our partners may not have the resources to invest in all of the drug candidates generated using our platform, or clinical data and other development considerations may not support the advancement of one or more drug candidates. Decision-making about which drug candidates to prioritize involves inherent uncertainty, and our partners' development program decision-making and resource prioritization decisions, which are outside of our control, may adversely affect the potential value of those partnerships. Additionally, subject to its contractual obligations to us, if one more of our partners is involved in a business combination, the partner might de-emphasize or terminate the development or commercialization of any drug candidate generated using our platform. If one of our strategic partners terminates its agreement with us, we may find it more difficult to attract new partners.

We are also subject to industry-wide FDA and other regulatory risk. For example, the number of BLAs approved by the FDA varies significantly over time and if changes in applicable laws, regulations, or policy or other events lead to an extended reduction in the number of BLAs approved by the FDA or otherwise reduce the number of biologics in development, our industry would contract and our business would be materially harmed.

Our partners' failure to effectively develop or commercialize any drug candidates generated using our platform could have a material adverse effect on our business, financial condition, results of operations and prospects, and cause the market price of our common stock to decline. In addition to the inherent uncertainty in drug development addresses above, our ability to forecast our future revenues may be limited.

In addition, we may in the future seek to advance proprietary drug candidates through preclinical validation, and may seek to license or co-develop such proprietary drug candidates with a partner for clinical development. In such case, we would also be dependent on our ability to enter into partnerships with respect to the drug candidate with license or joint development terms that are acceptable to us in a timely manner. We may also in the future invest in advancing proprietary drug candidates through some or all clinical-stage development activities and regulatory filings for approval to commercialize such proprietary drug candidates. If we were to do this, we would be subject to all of the risks of biologic drug development described above and elsewhere in this prospectus, and our failure to effectively develop or commercialize such proprietary drug candidates could have a material adverse effect on our business, financial condition, results of operations and prospects, and cause the market price of our common stock to decline.

***If our partners experience any of a number of possible unforeseen or negative events in connection with preclinical or clinical development, regulatory approval or commercialization of product candidates generated through our partnership, this could negatively affect our revenue opportunity for that program, and/or have broader deleterious effects on our reputation and future partnership prospects.***

Our partners may experience numerous unforeseen events during, or as a result of, preclinical studies or clinical trials that could delay or prevent their ability to conduct further development or obtain regulatory approval or licensure of, or commercialize, biologic drug candidates generated through our partnerships, including:

- Preclinical studies designed to enable the submission of IND applications, or other preclinical development activities, by our partners may not result in data sufficient to support the advancement of the applicable product candidates into clinical development, or our

partners may abandon development activities for such product candidates prior to any IND submission for a variety of reasons;

- regulatory authorities or ethical review boards, including institutional review boards (IRBs), may not authorize commencement of a clinical trial or conduct a clinical trial at a prospective trial site;
- there may be delays in reaching or failure to reach agreement on acceptable clinical trial contracts or clinical trial protocols with prospective trial sites;
- the FDA or other regulatory authorities may disagree with a clinical trial design or a sponsor's interpretation of data even after such regulatory authorities have reviewed and commented on the clinical trial design;
- differences in trial design between early stage clinical trials and later-stage clinical trials may make it difficult to extrapolate the results of earlier clinical trials to later-stage clinical trials;
- the FDA or other regulatory authorities may disagree about whether study endpoints are clinically meaningful or recommend study endpoints that require lengthy periods of observation;
- the number of patients, or amount of data, required to complete clinical trials may be larger than anticipated, patient enrollment in these clinical trials may be slower than anticipated or patients may drop out of clinical trials at a higher rate than anticipated;
- contract research organizations and other contracted third parties may fail to perform their duties in accordance with the study protocol or applicable laws and regulations;
- changes may be made to product candidates after commencing clinical trials, which may require that previously completed stages of clinical testing be repeated or delay later stages of testing;
- clinical trials may fail to satisfy the applicable regulatory requirements of the FDA or other regulatory authorities responsible for oversight of the conduct of clinical trials in other countries;
- regulators may elect to impose a clinical hold, or our partners, governing IRBs, data safety monitoring boards or ethics committees may elect to suspend or terminate our partners' clinical research or trials for various reasons, including non-compliance with regulatory requirements or a finding that the participants are being exposed to unacceptable risks to their health or the privacy of their health information being disclosed;
- the cost of clinical trials of the applicable product candidates, or improvements to such product candidates, may be greater than our partners anticipate, causing them to delay or terminate their clinical development efforts;
- the supply or quality of materials necessary to conduct clinical trials of the applicable product candidates may be insufficient or inadequate;
- the outcome of our partners' preclinical studies and early clinical trials may not be predictive of the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results;
- product candidates may be associated with negative or inconclusive results in clinical trials, and our partners may decide to deprioritize or abandon these product candidates, or regulatory authorities may require our partners to abandon them or may impose onerous changes or requirements, which could lead to de-prioritization or abandonment;

- product candidates may have undesirable side effects which could lead to serious adverse events, or other unexpected characteristics. One or more of such effects or events could cause regulators to impose a clinical hold on the applicable trial, or cause our partners or their investigators, IRBs or ethics committees to suspend or terminate the trial of the applicable product candidates; and
- clinical trials may suggest or demonstrate that products are not safe and effective, or as safe and effective as competing therapies on the market or in development.

In addition, disruptions caused by the COVID-19 pandemic may increase the likelihood that our partners encounter such difficulties or delays in initiating, enrolling, conducting or completing their planned and ongoing clinical trials. Delays of this nature could also allow competitors to bring products to market before our partners do, potentially impairing our partners' abilities to successfully commercialize products generated in partnership with us and harming our business and results of operations. Any delays in the development of the product candidates developed by our partners generated using our technology our partners may significantly harm our business, financial condition and prospects. Many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory clearance, authorization or approval of partnered products in development.

***The biopharmaceutical platform technology market is highly competitive, and if we cannot compete successfully with our competitors, we may be unable to increase or sustain our revenue, or sustain profitability.***

We face significant competition in the biopharmaceutical platform technology market. Our technologies address therapeutic discovery and bioproduction challenges that are addressed by other platform technologies controlled by companies that have a variety of business models, including the development of internal pipelines of therapeutics, technology licensing, discovery screening, cell line generation and the sale of instruments and devices. Potential competitors addressing certain steps in the target identification, biologic drug discovery and cell line development processes or adjacent aspects of these broad processes include the following:

- in the field of novel target identification, we may face competition from academic, pharmaceutical, and biotechnology research initiatives, as well as companies focused on novel methods for target identification, including Insitro, Inc., TScan Therapeutics, Inc. and 3T Biosciences, Inc.;
- in the field of AI-guided drug design and discovery, we may face competition from companies designing novel proteins such as Generate Biopharma, as well as adjacent technology companies pursuing small molecule design such as Schrodinger, Inc., Recursion Pharmaceuticals, Inc., Relay Therapeutics, Inc. and Exscientia Limited;
- in the field of scaffold design and drug platform development, we may face competition from pharmaceutical and biotechnology companies developing novel biologic modalities including Amgen Inc., Crescendo Bioscience, Inc. and Harpoon Therapeutics, Inc. among others;
- in the field of novel human/humanized antibody discovery, we may face competition from companies such as AbCellera Biologics Inc. and Adimab LLC;
- in the field of non-standard amino acid protein engineering, we may face competition from companies such as Ambrx Inc. and Sutro Biopharma, Inc. (Sutro); and
- in the field of cell line generation and single-cell screening, we may face competition from service providers, such as Lonza Group AG and Selexis SA, companies offering instrumentation, such as Berkeley Lights Inc., and companies with alternative protein production systems, such as Sutro.

In addition, we are aware of other synthetic biology companies focused on developing various custom cell lines in a variety of model organisms for biomanufacturing of molecules relevant to other industries. These companies, which include Ginkgo Bioworks, Inc. and Zymergen Inc., may in the future pursue biopharmaceutical applications of their platforms that could compete with our technologies.

Our target partners may also elect to develop their processes on in house systems, or using other methods, rather than implementing our technologies and may decide to stop using our technologies. These companies are likely to exhaust all internal alternatives to our technology before adopting our technologies. In addition, there are many large established companies in the life science technology market that we do not currently compete with but that could develop systems, technologies, tools or other products that will compete with us in the future. These large established companies have substantially greater financial and other resources than us, including larger research and development staff or more established marketing and sales forces.

Our competitors and potential competitors may enjoy a number of competitive advantages over us. For example these may include:

- longer operating histories;
- larger partner bases;
- greater brand recognition and market penetration;
- greater financial resources;
- greater technological and research and development resources;
- better system reliability and robustness;
- greater business development capabilities; and
- better established, larger scale and lower cost manufacturing capabilities.

As a result, our competitors and potential competitors may be able to respond more quickly to changes in partner requirements, devote greater resources to the development, promotion and sale of their platforms or solutions than we can, or sell their platforms or solutions, or offer solutions competitive with our platform and solutions at prices designed to win significant levels of market share. In addition, we may encounter challenges in marketing our solutions with our pricing model, which is structured to capture the potential downstream revenues associated with drug candidates that were discovered using our platform. Our partners and potential partners may prefer one or more pricing models employed by our competitors that involve upfront payments rather than downstream revenues. We may not be able to compete effectively against these organizations.

In addition, competitors may be acquired by, receive investments from or enter into other commercial relationships with larger, well-established and well-financed companies. Certain of our competitors may be able to secure key inputs from vendors on more favorable terms, devote greater resources to marketing and promotional campaigns, adopt more aggressive pricing policies and devote substantially more resources to technology and platform development than we can. If we are unable to compete successfully against current and future competitors, we may be unable to increase market adoption of our platform technologies for the biologic drug discovery and cell line development, which could prevent us from increasing our revenue or sustaining profitability.

***The market, including potential partners and potential investors, may be skeptical of the viability and benefits of our technology platform because it is based on novel and complex synthetic biology technology.***

The market, including customers and potential investors, may be skeptical of the viability and benefits of our technology platform because it is based on novel and complex synthetic biology technology. There can be no assurance that our technologies will be understood, approved, or accepted by potential partners and potential investors or that we will be able to enter into new partnerships with new or existing partners. The synthetic biology market is relatively new, and potential partners may be hesitant to allocate resources in a relatively unproven field. If we are unable to convince these potential partners of the utility and value of our technologies or that our technologies are superior to the technologies they currently use, we will not be successful in entering these markets and our business and results of operations will be adversely affected. If potential investors are skeptical of the success of our technologies, our ability to raise capital and the value of our stock may be adversely affected.

***The medical insurance coverage and reimbursement status of newly approved therapeutics is uncertain. Failure to obtain or maintain adequate coverage and reimbursement for current or future products and services could limit our partners' ability to fully commercialize product candidates generated using our platform, which would 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 any therapeutics generated using our platform that our partners may develop and sell. In addition, because the therapeutics we generate may represent new classes of treatments for diseases, we and our partners cannot accurately estimate how such therapeutics would be priced, whether reimbursement could be obtained or any potential revenue generated. Sales of such therapeutics will depend substantially, both domestically and internationally, on the extent to which the costs of such therapeutics are 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. If reimbursement is not available, or is available only to limited levels, our partners may not be able to successfully commercialize some therapeutics generated with our technology. Even if coverage is provided, the approved reimbursement amount may not be high enough to allow our partners to establish or maintain pricing sufficient to realize a sufficient return on their investment in such therapeutics, and may lead to discontinuation or deprioritization of marketing and sales efforts for such products. Changes in the reimbursement landscape may occur, which are outside of our control, and may impact the commercial viability of our technology development services and/or therapeutics generated using our technology.

There is significant uncertainty related to the insurance coverage and reimbursement of newly cleared, authorized or approved therapeutics in the United States and other jurisdictions. Due to the trend toward value-based pricing and coverage, the increasing influence of health maintenance organizations and additional legislative changes, we expect our partners to experience pricing pressures on therapeutics generated using our platform that our partners may commercialize. The downward pressure on healthcare costs in general, particularly novel therapeutics, has become very intense. As a result, increasingly high barriers are being erected to the entry of new products, which would negatively impact our ability to generate revenues.

***Healthcare reform efforts aimed at lowering the price of biopharmaceutical products may impact our ability to maintain sufficient profits.***

Payors, whether domestic or foreign, or governmental or private, are developing increasingly sophisticated methods of controlling healthcare costs and those methods are not always specifically adapted for new technologies. In both the United States and certain foreign jurisdictions, there have been a number of legislative and regulatory changes to the health care system that could

impact our ability to sell our products profitably. In particular, in 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (ACA), was enacted, which, among other things, subjected biologic products to potential competition by lower-cost biosimilars; addressed a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected; increased the minimum Medicaid rebates owed by most manufacturers under the Medicaid Drug Rebate Program; extended the Medicaid Drug Rebate program to utilization of prescriptions of individuals enrolled in Medicaid managed care organizations; subjected manufacturers to new annual fees and taxes for certain branded prescription drugs; created a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% (increased to 70% pursuant to the Bipartisan Budget Act of 2018, effective as of January 1, 2019) point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D; and provided incentives to programs that increase the federal government's comparative effectiveness research. If efforts to contain the price of biopharmaceutical products are successful, the magnitude of milestone payments and royalties we would expect to receive in connection with our partners' future prioritization and investment in developing novel biologics may be impacted.

***Our business could become subject to government regulation, and the regulatory approval and maintenance process may be expensive, time-consuming and uncertain both in timing and in outcome.***

Our operations are currently not subject to the direct regulation by the FDA or other regulatory bodies. However, our business could in future become subject to more direct oversight by the FDA, or other domestic or international agencies. For example, we may be subject to evolving and variable regulations governing the production of genetically engineered organisms. Furthermore, while we have no active plans to operate a manufacturing facility designed to comply with current good manufacturing practices (cGMPs), future market pressures or the lack of available capacity at cGMP manufacturing facilities may necessitate our entry into this market. Complying with such regulations may be expensive, time-consuming and uncertain, and our failure to obtain or comply with such approvals and clearances could have an adverse effect on our business, financial condition and operating results.

#### **Risks Related to Our Operations**

***Our loan and security agreement contains covenants that restrict our operating activities, and we may be required to repay the outstanding indebtedness in an event of default, which could have a material adverse effect on our business, financial condition, results of operations and prospects.***

In June 2018, we entered into a Loan and Security Agreement (LSA), which was subsequently amended, with Bridge Bank (Lender) pursuant to which the Lender agreed to provide us a term loan up to \$3.0 million with a maturity date in May, 2022. We initially borrowed \$0.3 million that was funded in June, 2018. In March 2019, we entered into a First Amendment to the loan and service agreement to increase total borrowings to \$3.0 million. In March 2020, we entered into a Second Amendment to the loan service agreement that increased total borrowings to \$5.0 million. Until we have repaid such indebtedness, the loan and security agreement subjects us to various customary covenants, including requirements as to financial reporting, liquidity ratios and insurance and restrictions on our ability to dispose of our business or property, to change our line of business, to liquidate or dissolve, to enter into any change in control transaction, to merge or consolidate with any other entity or to acquire all or substantially all the capital stock or property of another entity, to incur additional indebtedness, to incur liens on our property, to pay any dividends or make other distributions on capital stock other than dividends payable solely in capital stock, to redeem capital stock, to enter into in-bound licensing agreements, to engage in transactions with

affiliates, and to encumber our intellectual property. Our business may be adversely affected by these restrictions on our ability to operate our business.

Following the amendments, we are permitted to make interest only payments on the LSA through May 2021, at which time amortization begins. However, we may be required to repay the outstanding indebtedness under the loan facility if an event of default occurs under the loan and security agreement. An event of default will occur if, among other things, we fail to make required payments under the loan and security agreement; we breach any of our covenants under the loan and security agreement, subject to specified cure periods with respect to certain breaches; the Lender determines that a material adverse change (as defined in the loan and security agreement) has occurred; we or our assets become subject to certain legal proceedings, such as bankruptcy proceedings; we are unable to pay our debts as they become due; or we default on contracts with third parties which would permit the third party to accelerate the maturity of such indebtedness or that could have a material adverse change on us. We may not have enough available cash or be able to raise additional funds through equity or debt financings to repay such indebtedness at the time any such event of default occurs. In such a case, we may be required to delay, limit, reduce or terminate our operations or grant to others rights to develop and market our Integrated Drug Creation Platform that we would otherwise prefer to develop and market ourselves. The Lender could also exercise its rights as secured lender to take possession of and to dispose of the collateral securing the term loan, which collateral includes substantially all of our property (excluding intellectual property, which is subject to a negative pledge). Our business, financial condition, results of operations and prospects could be materially adversely affected as a result of any of these events.

***We rely on a limited number of suppliers or, in many cases, single suppliers, for laboratory equipment and materials and may not be able to find replacements or immediately transition to alternative suppliers.***

We rely on a limited number of suppliers, or in many cases single suppliers, to provide certain consumables and equipment that we use in our laboratory operations, as well as reagents and other laboratory materials involved in the development of our technology. Fluctuations in the availability and price of laboratory materials and equipment could have an adverse effect on our ability to meet our technology development goals with our partners and thus our results from operations as well as future partnership opportunities. An interruption in our laboratory operations or technology transfer could occur if we encounter delays, quality issues or other difficulties in securing these consumables, equipment, reagents or other materials, and if we cannot then obtain an acceptable substitute. In addition, we would likely be required to incur significant costs and devote significant efforts to find new suppliers, acquire and qualify new equipment, validate new reagents and revalidate aspects of our existing assays, which may cause delays in our processing of samples or development and commercialization of our technology. Any such interruption could significantly affect our business, financial condition, results of operations and reputation.

In particular, we have purchased and rely on the Sartorius Ambr system. Sartorius AG (Sartorius) supplies us with the Ambr bioreactor system and related equipment and consumables, which are critical to our business. The Ambr system and its related consumables are provided solely by Sartorius. We are also materially reliant on the liquid handling robotics and associated consumables produced solely by the Hamilton Company (Hamilton). We obtain our supplies of equipment and materials from Sartorius and Hamilton under purchase orders and do not have supply contracts in place with either of these suppliers. Any disruption in the supply chain for these products would materially affect our business. While there are alternative types of equipment that we could use as a replacement for the Ambr system and/or the Hamilton workstations, switching to different systems would require significant capital investment, long lead times and significant training and validation.

***Our Integrated Drug Creation Platform may not meet the expectations of our partners, which means our business, financial condition, results of operations and prospects could suffer.***

Our success depends on, among other things, the market's confidence that our platform is capable of substantially shortening the amount of time necessary to perform certain activities as compared to the use of legacy and other alternative technologies, and will enable more efficient or improved pharmaceutical and biotechnology product development and/or biomanufacturing. There is no assurance that we will be able to meet our partners' needs in the future, or at all. To date, we have not yet had a program enter clinical testing or progress to manufacture in a cGMP environment, which may reduce our partners confidence in our platform. We also believe that pharmaceutical and biotechnology companies are likely to be particularly sensitive to defects in, or suboptimal performance of, our platform, including if our platform fails to deliver meaningful acceleration of certain research timelines accompanied by results at least as good as the results generated using legacy or other alternative technologies. There can be no guarantee that our platform will meet the expectations of pharmaceutical and biotechnology companies.

***We will need to develop and expand our workforce, commercial infrastructure and laboratory operations to support anticipated growth in demand for our technology development programs, and we may encounter difficulties in managing this development and expansion.***

We will need to expand our workforce, commercial infrastructure and laboratory operations to support anticipated growth in demand for our technology development programs. If we are unable to support fluctuations in the demand for our technology development programs, including ensuring that we have adequate capacity to meet increased demand, our business could suffer. As of March 31, 2021, we had 102 full-time employees and we expect to increase the number of employees and the scope of our operations as we continue to develop our technologies. As we seek to increase the number of our partnerships, expand the scope of our existing partnerships and further develop our technological capabilities, we may need to incorporate new equipment, implement new technology systems and laboratory processes and hire new personnel with different qualifications. Failure to manage this growth or transition could result in turnaround time delays, higher technology development costs, declining technology development quality, deteriorating alliance management success, and slower responses to competitive challenges. A failure in any one of these areas could make it difficult for us to meet market expectations for our technologies, and could damage our reputation and the prospects for our business.

To manage our anticipated expansion, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Also, our management team may need to divert a disproportionate amount of its attention away from its day-to-day activities and devote a substantial amount of time to managing these business expansion activities. Due to our limited resources and early stage of growth, we may not be able to effectively manage this simultaneous execution and the expansion of our operations. This may result in weaknesses in our infrastructure, operational mistakes, slower development of our technology development programs, loss of business opportunities, loss of employees and reduced productivity among our employees.

If our management is unable to effectively manage our expected development and expansion, our expenses may increase more than expected, our ability to generate or increase our revenue could be reduced and we may not be able to implement our business strategy. Our future financial performance, and our ability to develop and commercialize our technologies and compete effectively, will depend, in part, on our ability to effectively manage our future development and expansion.



***Our business development organization is currently limited, and if we are unable to expand our business development organization to reach our existing and potential partners, our business may be adversely affected.***

We currently have a limited number of business development professionals. We will need to expand our commercial organization in order to effectively market our platform capabilities to existing and new partners. Competition for employees capable of negotiating and entering into partnerships with pharmaceutical and biotechnology companies is intense. We may not be able to attract and retain personnel or be able to build an efficient and effective business development organization, which could negatively impact market adoption of our platform and limit our revenue growth and potential profitability. In addition, the time and cost of establishing a specialized business development or sales team for a particular future service, technology, asset, or set of assets, may be difficult to justify in light of the revenue generated or projected.

Our expected future growth will impose significant added responsibilities on members of management, including the need to identify, recruit, maintain and integrate additional employees. Our future financial performance and our ability to successfully sell our programs and to compete effectively will depend, in part, on our ability to manage this potential future growth effectively, without compromising quality.

***The loss of any member of our senior management team or our inability to attract and retain highly skilled scientists and business development professionals could adversely affect our business.***

Our success depends on the skills, experience and performance of key members of our senior management team, including Sean McClain, our founder and Chief Executive Officer, and Matthew Weinstock, our Chief Technology Officer. The individual and collective efforts of these employees will be important as we continue to develop our platform and our technology, and as we expand our commercial activities. The loss or incapacity of existing members of our executive management team could adversely affect our operations if we experience difficulties in hiring qualified successors. While certain of our executive officers are party to employment contracts with us, their employment with us is at-will, which means that either we or the executive may terminate their employment at any time, and we therefore cannot guarantee their retention for any period of time.

Our technology development programs and laboratory operations depend on our ability to attract and retain highly skilled personnel. We may not be able to attract or retain qualified personnel due to the intense competition for highly skilled scientists, including those focused on biologic drug discovery and cell line development, as well as qualified business development and sales professionals, among life sciences companies. Additionally, our geographic location in Vancouver, Washington, which does not have as high a concentration of innovative biotechnology companies as other geographic locations may negatively impact our ability to attract top talent.

We also face competition from universities and public and private research institutions in recruiting and retaining highly qualified scientific personnel. We may have difficulties locating, recruiting or retaining qualified salespeople. Recruiting and retention difficulties can limit our ability to support our research and business development programs. A key risk in the area of retention is that all of our employees are at-will.

***We may not realize the expected benefits of our recent acquisitions because of difficulties related to integration.***

In January 2021, we consummated the Denovium acquisition, and, in June 2021, we consummated the Totient acquisition. We expect that the integration processes for such acquisitions will require significant time and resources, and we may not be able to manage such processes successfully. If we are not able to successfully integrate Denovium's or Totient's businesses with ours, the anticipated

benefits of such acquisitions may not be realized fully or may take longer than expected to be realized. For instance, in connection with the Denovium acquisition, we acquired a team of computational biologists and artificial intelligence experts along with a proprietary deep learning platform geared for protein discovery and engineering. There is no guarantee that Denovium will continue to benefit projects or that we will be able to achieve our ultimate goal of *in silico* protein and cell line design. Further, it is possible that we will experience disruption of either company's or both companies' ongoing businesses, including as we continue to service a limited number of Denovium's ongoing contracts for the foreseeable future. We may also incur higher than expected costs as a result of the acquisitions or experience an overall post-completion process that takes longer than originally anticipated. In addition, at times the attention of certain members of our management and resources may be focused on integration of the businesses of the two companies and diverted from day-to-day business operations, which may disrupt our ongoing business and the business of the combined company. We expect to incur, significant, non-recurring costs in connection with the acquisitions of Denovium and Totient and integrating our operations with Denovium's and Totient's, including costs to maintain employee morale and to retain key employees. Management cannot ensure that the elimination of duplicative costs or the realization of other efficiencies will offset the transaction and integration costs in the near term or at all. Furthermore, uncertainty about the effect of the Denovium acquisition or the Totient acquisition on our business, employees, partners, third parties with whom we have relationships may have an adverse effect on our business, financial condition, results of operations and prospects. In addition, such challenges in integrating our acquisition of Denovium or Totient may be magnified by the ongoing COVID-19 pandemic.

Other potential difficulties we may encounter as part of the integration process include (i) the challenge of integrating complex systems, operating procedures, regulatory compliance programs, technology, networks and other assets of Denovium and Totient in a seamless manner that minimizes any adverse impact on our employees, suppliers and other business partners; and (ii) potential unknown liabilities, liabilities that are significantly larger than we currently anticipate and unforeseen increased expenses or delays associated with the acquisition, including costs to integrate Denovium's and Totient's businesses that may exceed the costs that we currently anticipate. Accordingly, the contemplated benefits of the Denovium acquisition or the Totient acquisition may not be realized fully, or at all, or may take longer to realize than expected.

***We have made technology acquisitions and expect to acquire businesses or assets or make investments in other companies or technologies that could negatively affect our operating results, dilute our stockholders' ownership, increase our debt or cause us to incur significant expense.***

We have made technology acquisitions and expect to pursue acquisitions of businesses and assets in the future. We also may pursue strategic alliances and joint ventures that leverage our technologies and industry experience to expand our offerings. Additionally, we may invest in certain wholly-owned preclinical and/or clinical development programs with the goal of licensing them to partners for clinical development. Although we have acquired other businesses or assets in the past, including our acquisitions of Denovium, Inc. in January 2021 and Totient, Inc., or Totient, in June 2021, we may not be able to find suitable partners or acquisition or asset purchase candidates in the future, and we may not be able to complete such transactions on favorable terms, if at all. The competition for partners or acquisition candidates may be intense, and the negotiation process will be time-consuming and complex. If we make any acquisitions, we may not be able to integrate these acquisitions successfully into our existing business, these acquisitions may not strengthen our competitive position, the transactions may be viewed negatively by partners or investors, we may be unable to retain key employees of any acquired business, relationships with key suppliers, manufacturers or partners of any acquired business may be impaired due to changes in management and ownership, and we could assume unknown or contingent liabilities. Any future acquisitions also could result in the incurrence of debt, contingent liabilities or future write-offs of intangible assets or goodwill, any of which could have a material adverse effect on our business,

financial condition, results of operations and prospects. For example, in connection with our acquisition of Totient, Totient's Class A common stockholders and noteholders are eligible to receive up to an additional \$15 million in cash upon the achievement of certain milestones. We cannot guarantee that we will be able to fully recover the costs of any acquisition. Integration of an acquired company also may disrupt ongoing operations and require management resources that we would otherwise focus on developing our existing business. We may not realize the anticipated benefits of any acquisition, technology license, strategic alliance or joint venture. We also may experience losses related to investments in other companies, which could have a material adverse effect on our business, financial condition, results of operations and prospects. Acquisitions may also expose us to a variety of international and business related risks, including intellectual property, regulatory laws, local laws, tax and accounting.

To finance any acquisitions or asset purchase, we may choose to issue securities as consideration, which would dilute the ownership of our stockholders. Additional funds may not be available on terms that are favorable to us, or at all. If the price of our common stock is low or volatile, we may not be able to acquire companies or assets using our securities as consideration.

***We may be subject to laws that generally govern the biopharmaceutical industry.***

Biopharmaceutical 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. These laws and regulations may constrain our relationships with our customers and partners. Such laws include, without limitation, state and federal anti-kickback, fraud and abuse, false claims, and transparency laws and regulations related to drug pricing and payments and other transfers of value made to physicians and other healthcare providers. If our partners' operations are found to be in violation of any of such laws or any other governmental regulations that apply, we may be subject to penalties, including, without limitation, administrative, civil and criminal penalties, damages, fines, disgorgement, the curtailment or restructuring of operations, integrity oversight and reporting obligations, exclusion from participation in federal and state healthcare programs and responsible individuals may be subject to imprisonment.

***Our inability to collect on our accounts receivable by a significant number of partners may have an adverse effect on our business, financial condition and results of operations.***

Invoices issued to our partners are generally made on open credit terms. While we haven't experienced an inability to collect on accounts receivable from our partners historically, it may occur in the future. Management assesses the need to maintain an allowance for potential credit losses each reporting period. If our partners' cash flow, working capital, financial conditions or results of operations deteriorate, they may be unable or even unwilling to pay trade receivables owed to us promptly or at all. As a result, we could be exposed to a certain level of credit risk. If a major partner experiences, or a significant number of partners experience, financial difficulties, the effect on us could be material and have an adverse effect on our business, financial condition and results of operations.

***If our operating facility becomes damaged or inoperable or we are required to vacate our facility, our ability to conduct and pursue our technology development efforts may be jeopardized.***

We currently operate primarily through a single facility located in Vancouver, Washington. Our facility and equipment could be harmed or rendered inoperable or inaccessible by natural or man-made disasters or other circumstances beyond our control, including fire, earthquake, power loss, communications failure, war or terrorism, or another catastrophic event, such as a pandemic or similar outbreak or public health crisis, which may render it difficult or impossible for us to support our partners and develop updates, upgrades and other improvements to our technology and platform, advanced automation systems, and advanced application for some period of time. We

may be unable to execute on our technology development activities if our facility is inoperable or suffers a loss of utilization for even a short period of time, may result in the loss of partners or harm to our reputation, and we may be unable to regain those partners or repair our reputation in the future. Furthermore, our facility and the equipment we use to perform our technology development work could be unavailable or costly and time-consuming to repair or replace. It would be difficult, time-consuming and expensive to rebuild our facility, to locate and qualify a new facility or license or transfer our proprietary technology to a third party. Even in the event we are able to find a third party to assist in technology development efforts, we may be unable to negotiate commercially reasonable terms to engage with the third party.

***We depend on our information technology systems, and any failure of these systems could harm our business.***

We depend on information technology and telecommunications systems for significant elements of our business operations, including the operation of our AI platform (Denovium Engine), our antibody discovery software platform, our computational biology system, our knowledge management system, our partner reporting, our platform, our advanced automation systems, and advanced application software. These systems involve computational resources and data storage distributed between onsite servers, cloud platforms hosted by numerous third-party providers (e.g., Amazon Web Services), and a private GPU cluster owned by us but located and maintained at a facility in Texas. We have installed, and expect to expand, a number of enterprise software systems that affect a broad range of business processes and functional areas, including for example, systems handling human resources, financial controls and reporting, contract management, regulatory compliance and other infrastructure operations. These implementations were expensive and required a significant effort in terms of both time and effort. In addition to the aforementioned business systems, we intend to extend the capabilities of both our preventative and detective security controls by augmenting the monitoring and alerting functions, the network design and the automatic countermeasure operations of our technical systems. These information technology and telecommunications systems support a variety of functions, including manufacturing operations, laboratory operations, data analysis, quality control, partner service and support, billing, research and development activities, scientific and general administrative activities. A significant risk in implementing these systems includes the integration and communication between separate IT systems, and any failure to integrate these systems effectively could adversely affect various aspects of our operations.

***International expansion of our business exposes us to business, regulatory, political, operational, financial and economic risks associated with doing business outside of the United States.***

Because we currently market our technologies and our partners may market products derived from our technologies outside of the United States and we or our partners may market future technologies, products and services outside of the United States, if cleared, authorized or approved, our business is subject to risks associated with doing business outside of the United States, including an increase in our expenses and diversion of our management's attention from the development of future products and services. In addition, as a result of the Totient acquisition, we currently maintain offices and have employees located in Serbia and the United Kingdom. Our current and planned international operations could expose us to additional risks that may adversely affect our business and financial results, including:

- multiple, conflicting and changing laws and regulations such as privacy security and data use regulations, tax laws, export and import restrictions, economic sanctions and embargoes, employment laws, anticorruption laws, regulatory requirements, reporting and disclosure obligations, reimbursement or payor regimes and other governmental approvals, permits and licenses;

- failure by us, our partners or our distributors to obtain regulatory clearance, authorization or approval for the use of our technologies in various countries;
- additional potentially relevant third-party patent rights;
- complexities and difficulties in obtaining intellectual property protection and enforcing our intellectual property;
- difficulties in staffing and managing foreign operations;
- complexities associated with managing multiple payor reimbursement regimes, government payors or patient self-pay systems;
- difficulties in negotiating favorable reimbursement negotiations with governmental authorities;
- complexities in technology transfer regulations and logistics related to delivery of our bioengineered *E. coli* to partners;
- logistics and regulations associated with shipping samples, including infrastructure conditions and transportation delays;
- limits in our ability to penetrate international markets if we are not able to conduct our operations locally;
- financial risks, such as longer payment cycles, difficulty collecting accounts receivable, the impact of local and regional financial crises on demand and payment for our technologies, exposure to foreign currency exchange rate fluctuations and different tax jurisdictions;
- natural disasters, political and economic instability, including wars, terrorism and political unrest, outbreak of disease, boycotts, curtailment of trade and other business restrictions;
- certain expenses, including expenses for travel, translation services, labor and employment costs and insurance;
- regulatory and compliance risks that relate to maintaining accurate information and control over sales and distributors' activities that may fall within the purview of the U.S. Foreign Corrupt Practices Act (FCPA), its books and records provisions, or its anti-bribery provisions, or laws similar to the FCPA in other jurisdictions in which we may now or in the future operate, such as the United Kingdom's Bribery Act of 2010; and
- onerous anti-bribery requirements of several member states in the European Union (EU), such as the United Kingdom's Bribery Act of 2010, and other countries that are constantly changing and require disclosure of information to which U.S. legal privilege may not extend.

Any of these factors could significantly harm our future international expansion and operations and, consequently, our revenue and results of operations.

***Our business activities are subject to the FCPA and other anti-bribery and anti-corruption laws of the United States and other countries in which we operate, as well as U.S. and certain foreign export controls and trade sanctions. Violations of such legal requirements could subject us to liability.***

We are subject to the FCPA, which among other things prohibits companies and their third-party intermediaries from offering, promising, giving or authorizing others to give anything of value, either directly or indirectly, to non-U.S. government officials for the purpose of obtaining or retaining business or securing any other improper advantage. The FCPA also requires public companies to make and keep books and records that accurately and fairly reflect the transactions of

the corporation and to devise and maintain an adequate system of internal accounting controls. Companies in the biotechnology and biopharmaceutical field are highly regulated and therefore involve interactions with public officials, including officials of non-U.S. governments. Additionally, in many other countries, hospitals are owned and operated by the government, and doctors and other hospital employees would be considered foreign officials under the FCPA. These laws are complex and far-reaching in nature, and, as a result, there is no certainty that all of our employees, agents or contractors will comply with such laws and regulations. Any violations of these laws, or allegations of such violations, could disrupt our operations, involve significant management distraction, involve significant costs and expenses, including legal fees, and could result in a material adverse effect on our business, financial condition, results of operations and prospects. We could also suffer severe penalties, including criminal and civil penalties, disgorgement and other remedial measures.

***We use biological and hazardous materials that require considerable expertise and expense for handling, storage and disposal and may result in claims against us.***

We work with materials, including chemicals, biological agents and compounds that could be hazardous to human health and safety or the environment. Our operations also produce hazardous and biological waste products. Our SoluPro system is based on bioengineered *E. coli*, which could pose a health risk if improperly handled. Additionally, we employ various synthetic biology processes, which could involve the use or emission of harmful materials. Federal, state and local laws and regulations govern the use, generation, manufacture, storage, handling and disposal of these materials and wastes. We may be subject to periodic inspections by relevant authorities to ensure compliance with applicable laws. Compliance with applicable environmental laws and regulations is expensive, and current or future environmental laws and regulations may restrict our operations. If we do not comply with applicable regulations, we may be subject to fines and penalties.

In addition, we cannot eliminate the risk of accidental injury or contamination from these materials or wastes, which could cause an interruption of our commercialization efforts, technology development programs and business operations, as well as environmental damage resulting in costly clean-up and liabilities under applicable laws and regulations. In the event of contamination or injury, we could be liable for damages or penalized with fines in an amount exceeding our resources and our operations could be suspended or otherwise adversely affected. Furthermore, environmental laws and regulations are complex, change frequently and have tended to become more stringent. We cannot predict the impact of such changes and cannot be certain of our future compliance.

***Public health crises such as pandemics or similar outbreaks could cause a disruption of the development of our platform technologies, and adversely impact our business.***

In late 2019, a novel strain of coronavirus, SARS-CoV-2, which resulted in the evolving COVID-19 pandemic, surfaced in Wuhan, China. Since then, COVID-19 has spread across the globe and to multiple regions within the United States, including Vancouver, Washington, where our primary office and laboratory space is located. The COVID-19 pandemic is evolving, and to date has led to the implementation of various responses, including government imposed shelter-in-place orders, quarantines, travel restrictions and other public health safety measures, as well as reported adverse impacts on healthcare resources, facilities and providers across the United States and in other countries. In response to the spread of COVID-19, and in accordance with guidance from federal, state, and local government authorities, we have restricted access to our facilities mostly to personnel and third parties who perform critical activities that must be completed on-site, limited the number of such personnel that can be present at our facilities at any one time, required universal facial masking in accordance with U.S. Centers for Disease Control recommendations, and requested (and facilitated) that most of our personnel work remotely in compliance with the local government issued guidance. In the event that government authorities were to further modify

current restrictions, our employees conducting technology development or manufacturing activities may not be able to access our laboratory and manufacturing space, and our core activities may be significantly limited or curtailed, possibly for an extended period of time.

With such restrictions in place our business has been and may continue to be impacted negatively in a number of ways. For example, we have experienced delays in technology development activities due to supply chain interruptions related to diversion of personal protective equipment and biotechnology research and biomanufacturing supplies to healthcare organizations and COVID-19 vaccine developers. In addition, the global focus on the pandemic and uncertainties of markets has extended our business development timelines, and has negatively impacted our partners' and potential partners' willingness to advance negotiations in a timely manner. We have also experienced difficulties recruiting personnel, especially from outside our region, due to travel restrictions and overall uncertainties and reluctance of prospective employees to relocate during the COVID-19 pandemic.

As a result of the COVID-19 pandemic, or similar pandemics and outbreaks, we have experienced and may continue to experience severe delays and disruptions, including, for example:

- interruption of or delays in receiving products and supplies from third parties;
- limitations on our business operations by local, state and/or federal governments that could impact our ability to conduct our technology development and other activities;
- delays in negotiations with partners and potential partners;
- increases in facilities costs to comply with physical distancing guidance;
- business disruptions caused by workplace, laboratory and office closures and an increased reliance on employees working from home, travel limitations, cyber security and data accessibility, or communication or mass transit disruptions; and
- limitations on employee resources that would otherwise be focused on the conduct of our activities, including because of sickness of employees or their families or the desire of employees to avoid contact with large groups of people.

Any of these factors could severely impact our technology development activities, business operations and business development, or delay necessary interactions with local regulators, and other important contractors and partners. These and other factors arising from the COVID-19 pandemic could worsen in countries that are already afflicted with COVID-19, could continue to spread to additional countries, or could return to countries where the pandemic has been partially contained, and could further adversely impact our ability to conduct our business generally and have a material adverse impact on our operations and financial condition and results.

The extent to which the COVID-19 pandemic may negatively impact our operations and results of operations or those of our stakeholders will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, additional or modified government actions, new information that will emerge concerning the severity and impact of the COVID-19 pandemic and actions to contain the outbreak or treat its impact, such as social distancing, quarantines, lock-downs or business closures.

***We rely and expect in the future to rely on a limited number of outside parties to perform the cGMP manufacturing for clinical development and commercialization of any biologic product candidates produced using our technology. Limitations in this global***

***cGMP manufacturing capacity could delay or prevent clinical development and/or commercialization efforts.***

We develop manufacturing processes that are required to use our cell lines, but we do not currently have capabilities to manufacture products in accordance with cGMPs. We rely on the in-house manufacturing capabilities of our partners or capabilities of established third-party contract development and manufacturing organizations (CDMOs) to manufacture biologic drug candidates generated with our technology. Manufacturing capacity maintained by our partners or third-party CDMOs is a finite resource that is in demand. Shortages in cGMP manufacturing capacity are difficult to predict and could hamper our operations and harm our business.

**Risks Related to Our Intellectual Property**

***If we are unable to obtain and maintain sufficient intellectual property protection for our technologies, including our platform, Denovium deep learning technology and Totient antibody discovery software platform, or if the scope of the intellectual property protection obtained is not sufficiently broad, our competitors could develop and commercialize technologies or a platform similar or identical to ours, and our ability to successfully leverage our platform technologies may be impaired.***

We rely on patent protection as well as trademark, copyright, trade secret and other intellectual property rights protection and contractual restrictions to protect our proprietary technologies, all of which provide limited protection and may not adequately protect our rights or permit us to gain or keep a competitive advantage. If we fail to protect our intellectual property, third parties may be able to compete more effectively against us. In addition, we may incur substantial litigation costs in our attempts to recover or restrict the use of our intellectual property.

To the extent our intellectual property offers inadequate protection, or is found to be invalid or unenforceable, we would be exposed to a greater risk of direct competition. If our intellectual property does not provide adequate coverage of our competitors' products and services, our competitive position could be adversely affected, as could our business. Both the patent application process and the process of managing patent disputes can be time-consuming and expensive.

Our success depends in large part on our ability to obtain and maintain adequate protection of the intellectual property we may own solely and jointly with others or otherwise have rights to, particularly patents, in the United States and in other countries with respect to our platform, our software and our technologies, without infringing the intellectual property rights of others.

We strive to protect and enhance the proprietary technologies that we believe are important to our business, including seeking patents intended to cover our platform and related technologies and uses thereof, as we deem appropriate. Our patents and patent applications in the United States and certain foreign jurisdictions relate to our technology. However, obtaining and enforcing patents in our industry is costly, time-consuming and complex, and we may fail to apply for patents on important products and technologies in a timely fashion or at all, or we may fail to apply for patents in potentially relevant jurisdictions. There can be no assurance that the claims of our patents (or any patent application that issues as a patent), will exclude others from making, using or selling our technology or technology that is substantially similar to ours. We also rely on trade secrets to protect aspects of our business that are not amenable to, or that we do not consider appropriate for, patent protection. In countries where we have not sought and do not seek patent protection, third parties may be able to manufacture and sell our technology without our permission, and we may not be able to stop them from doing so. We may not be able to file and prosecute all necessary or desirable patent applications, or maintain, enforce and license any patents that may issue from such patent applications, at a reasonable cost or in a timely manner. It is also possible that we will fail to identify patentable aspects of our technology development output before it is too late to obtain patent protection. We may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the rights to patents



licensed to third parties. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business.

As of June 4, 2021, we own 35 issued or allowed patents and 48 pending patent applications worldwide, which includes four issued U.S. patents and 11 pending U.S. patent applications. It is possible that none of our pending patent applications will result in issued patents in a timely fashion or at all, and even if patents are granted, they may not provide a basis for intellectual property protection of commercially viable products or services, may not provide us with any competitive advantages, or may be challenged and invalidated by third parties. It is possible that others will design around our current or future patented technologies. As a result, our owned and licensed patents and patent applications comprising our patent portfolio may not provide us with sufficient rights to exclude others from commercializing technology and products similar to any of our technology.

It is possible that in the future some of our patents, licensed patents and patent applications may be challenged at the United States Patent and Trademark Office (USPTO) or in proceedings before the patent offices of other jurisdictions. We may not be successful in defending any such challenges made against our patents or patent applications. Any successful third party challenge to our patents could result in loss of exclusivity or freedom to operate, patent claims being narrowed, the unenforceability or invalidity of such patents, in whole or in part, which could limit our ability to stop others from using or commercializing similar or identical technology and products, limit the duration of the patent protection of our technology, and increased competition to our business. We may have to challenge the patents or patent applications of third parties. The outcome of patent litigation or other proceeding can be uncertain, and any attempt by us to enforce our patent rights against others or to challenge the patent rights of others may not be successful, or, if successful, may take substantial time and result in substantial cost, and may divert our efforts and attention from other aspects of our business.

Any changes we make to our technology, including changes that may be required for commercialization or that cause them to have what we view as more advantageous properties may not be covered by our existing patent portfolio, and we may be required to file new applications and/or seek other forms of protection for any such alterations to our technology. There can be no assurance that we would be able to secure patent protection that would adequately cover an alternative to our technology.

The patent positions of life sciences companies can be highly uncertain and involve complex legal and factual questions for which important legal principles remain unresolved. No consistent policy regarding the breadth of claims allowed in such companies' patents has emerged to date in the United States or elsewhere. Courts frequently render opinions in the biotechnology field that may affect the patentability of certain inventions or discoveries.

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

Changes in either the patent laws or in interpretations of patent laws in the United States or other countries or regions may diminish the value of our intellectual property. We cannot predict the breadth of claims that may be allowed or enforced in our patents or in third party patents. We may not develop additional proprietary platforms, methods and technologies that are patentable.

Assuming that other requirements for patentability are met, prior to March 16, 2013, in the United States, the first to invent the claimed invention was entitled to the patent, while outside the United States, the first to file a patent application was entitled to the patent. On or after March 16, 2013, under the Leahy-Smith America Invents Act (America Invents Act) enacted in September 16, 2011, the United States transitioned to a first inventor to file system in which, assuming that other requirements for patentability are met, the first inventor to file a patent application will be entitled to the patent on an invention regardless of whether a third party was the first to invent the claimed

invention. A third party that files a patent application in the USPTO on or after March 16, 2013, but before us could therefore be awarded a patent covering an invention of ours even if we had made the invention before it was made by such third party. This will require us to be cognizant of the time from invention to filing of a patent application. Since patent applications in the United States and most other countries are confidential for a period of time after filing or until issuance, we cannot be certain that we or our licensors were the first to either (i) file any patent application related to our technology or (ii) invent any of the inventions claimed in our or our licensor's patents or patent applications.

The America Invents Act also includes a number of significant changes that affect the way patent applications will be prosecuted and also may affect patent litigation. These include allowing third party submission of prior art to the USPTO during patent prosecution and additional procedures to attack the validity of a patent by USPTO administered post-grant proceedings, including post-grant review, *inter partes* review and derivation proceedings. Because of a lower evidentiary standard in USPTO proceedings compared to the evidentiary standard in United States federal courts necessary to invalidate a patent claim, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action. Accordingly, a third party may attempt to use the USPTO procedures to invalidate our patent claims that would not have been invalidated if first challenged by the third party as a defendant in a district court action. Therefore, the America Invents Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our owned or any future in-licensed patent applications and the enforcement or defense of our owned or any future in-licensed issued patents, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, the patent position of companies in the biotechnology field is particularly uncertain. Various courts, including the United States Supreme Court have rendered decisions that affect the scope of patentability of certain inventions or discoveries relating to biotechnology. These decisions state, among other things, that a patent claim that recites an abstract idea, natural phenomenon or law of nature (for example, the relationship between particular genetic variants and cancer) are not themselves patentable. Precisely what constitutes a law of nature or abstract idea is uncertain, and it is possible that certain aspects of our technology could be considered natural laws. Accordingly, the evolving case law in the United States may adversely affect our and our licensors' ability to obtain new patents or to enforce existing patents and may facilitate third party challenges to any owned or licensed patents.

***Issued patents covering our platform and technologies could be found invalid or unenforceable if challenged.***

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability. Some of our patents or patent applications (including licensed patents) may be challenged at a future point in time in opposition, derivation, reexamination, *inter partes* review, post-grant review or interference. Any successful third party challenge to our patents in this or any other proceeding could result in the unenforceability or invalidity of such patents or amendment to our patents in such a way that they no longer cover our platform and our technology, which may lead to increased competition to our business, which could harm our business. In addition, in patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace. The outcome following legal assertions of invalidity and unenforceability during patent litigation is unpredictable. If a defendant were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on certain aspects of our platform technologies. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, regardless of the outcome, it could dissuade companies from collaborating with us to license, develop or commercialize current or future products.

We may not be aware of all third party intellectual property rights potentially relating to our platform or technology. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until approximately 18 months after filing or, in some cases, not until such patent applications issue as patents. We or our licensors might not have been the first to make the inventions covered by each of our pending patent applications and we or our licensors might not have been the first to file patent applications for these inventions. There is also no assurance that all of the potentially relevant prior art relating to our patents and patent applications or licensed patents and patent applications has been found, which could be used by a third party to challenge their validity, or prevent a patent from issuing from a pending patent application.

To determine the priority of these inventions, we may have to participate in interference proceedings, derivation proceedings or other post-grant proceedings declared by the USPTO that could result in substantial cost to us. The outcome of such proceedings is uncertain. No assurance can be given that other patent applications will not have priority over our patent applications. In addition, changes to the patent laws of the United States allow for various post-grant opposition proceedings that have not been extensively tested, and their outcome is therefore uncertain. Furthermore, if third parties bring these proceedings against our patents, we could experience significant costs and management distraction.

***We may come to rely on in-licenses from third parties. If we were to lose these rights, our business could be materially adversely affected, our ability to develop improvements to our platform or technologies could be negatively and substantially impacted, and if disputes arise, we could be subjected to future litigation as well as the potential loss of or limitations on our ability to incorporate the technology covered by these license agreements.***

We may need to obtain licenses from third parties to advance our research, development and commercialization activities. We expect that any future exclusive in-license agreements will impose various development, diligence, commercialization and other obligations on us. We may enter into engagements in the future, with other licensors under which we obtain certain intellectual property rights relating to our platform and technologies. These engagements may take the form of an exclusive license or of actual ownership of intellectual property rights or technologies from third parties. Our rights to use the technologies we license may be subject to the continuation of and compliance with the terms of those agreements. In some cases, we may not control the prosecution, maintenance or filing of the patents to which we hold licenses, or the enforcement of those patents against third parties.

Moreover, disputes may arise with respect to our licensing or other upstream agreements, including:

- the scope of rights granted under the agreements and other interpretation-related issues;
- the extent to which our technology development processes infringe on intellectual property of the licensor that is not subject to the licensing agreement;
- the sublicensing of patent and other rights under our partnership agreements;
- our diligence obligations under the license agreements and what activities satisfy those diligence obligations;
- the inventorship and ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and us and our partners; and
- the priority of invention of patented technology.

In spite of our efforts to comply with our obligations under any future in-license agreements, our licensors might conclude that we have materially breached our obligations under our license agreements and might therefore, including in connection with any aforementioned disputes, terminate the relevant license agreement, thereby removing or limiting our ability to develop and commercialize technology covered by these license agreements. If any such in-license is terminated, or if the licensed patents fail to provide the intended exclusivity, competitors or other third parties might have the freedom to market or develop technologies similar to ours. In addition, absent the rights granted to us under such license agreements, we may infringe the intellectual property rights that are the subject of those agreements, we may be subject to litigation by the licensor, and if such litigation by the licensor is successful we may be required to pay damages to our licensor, or we may be required to cease our technology development and commercialization activities which are deemed infringing, and in such event we may ultimately need to modify our activities or technologies to design around such infringement, which may be time- and resource-consuming, and which may not be ultimately successful. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, our rights to future components of our platform, may be licensed to us on a non-exclusive basis. The owners of these non-exclusively licensed technologies would therefore be free to license them to third parties, including our competitors, on terms that may be superior to those offered to us, which could place us at a competitive disadvantage. Moreover, our licensors may own or control intellectual property that has not been licensed to us and, as a result, we may be subject to claims, regardless of their merit, that we are infringing or otherwise violating the licensor's rights. In addition, certain of our agreements with third parties may provide that intellectual property arising under these agreements, such as data that could be valuable to our business, will be owned by the counterparty, in which case, we may not have adequate rights to use such data or have exclusivity with respect to the use of such data, which could result in third parties, including our competitors, being able to use such data to compete with us.

***If we cannot acquire or license rights to use technologies on reasonable terms or if we fail to comply with our obligations under such agreements, we may not be able to commercialize new technologies or services in the future and our business could be harmed.***

In the future, we may identify third party intellectual property and technologies we may need to acquire or license in order to engage in our business, including to develop or commercialize new technologies or services, and the growth of our business may depend in part on our ability to acquire, in-license or use these technologies. However, we may not be able to acquire or in-license rights to these technologies on acceptable terms or at all. The licensing or acquisition of third party intellectual property rights is a competitive area, and several more established companies may pursue strategies to license or acquire third party intellectual property rights that we may consider attractive or necessary. These established companies may have a competitive advantage over us due to their size, capital resources and greater technology development or commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. Even if such licenses are available, we may be required to pay the licensor in return for the use of such licensor's technology, upfront or technology access fees, payments based on certain development, regulatory or commercial milestones such as sales volumes, or royalties based royalties received or milestones achieved by our partners. In addition, such licenses may be non-exclusive, which could give our competitors access to the same intellectual property licensed to us.

In spite of our best efforts, our licensors might conclude that we have materially breached our license agreements and might therefore terminate the license agreements, thereby removing our ability to develop and commercialize technologies covered by these license agreements. If these licenses are terminated, or if the underlying intellectual property fails to provide the intended exclusivity, competitors would have the freedom to seek regulatory approval of, and to market,

technologies identical to ours. This could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects. Additionally, termination of these agreements or reduction or elimination of our rights under these agreements, or restrictions on our ability to freely assign or sublicense our rights under such agreements when it is in the interest of our business to do so, may result in our having to negotiate new or reinstated agreements with less favorable terms, or cause us to lose our rights under these agreements, including our rights to important intellectual property or technologies or impede, or delay or prohibit the further development or commercialization of one or more technologies that rely on such agreements.

While we still face all of the risks described herein with respect to those agreements, we cannot prevent third parties from also accessing those technologies. In addition, our licenses may place restrictions on our future business opportunities.

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

Further, we may not have the right to control the prosecution, maintenance and enforcement of all of our licensed and sublicensed intellectual property, and even when we do have such rights, we may require the cooperation of our licensors and upstream licensors, which may not be forthcoming. Our business could be adversely affected if we or our licensors are unable to prosecute, maintain and enforce our licensed and sublicensed intellectual property effectively.

Our licensors may have relied on third-party consultants or partners or on funds from third parties such that our licensors are not the sole and exclusive owners of the patents and patent applications we in-license. If other third parties have ownership rights to patents or patent applications we in-license, they may be able to license such patents to our competitors, and our competitors could market competing technologies and services. This could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects.

Our business, financial condition, results of operations and prospects could be materially and adversely affected if we are unable to enter into necessary agreements on acceptable terms or at all, if any necessary licenses are subsequently terminated, if the licensors fail to abide by the terms of the licenses or fail to prevent infringement by third parties, or if the acquired or licensed patents or other rights are found to be invalid or unenforceable. Moreover, we could encounter delays in advancing ongoing or initiating new technology development programs while we attempt to develop alternatives. Defense of any lawsuit or failure to obtain any of these licenses on favorable terms could prevent us from developing technologies or advancing partnerships, which could harm our business, financial condition, results of operations and prospects.

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

Filing, prosecuting and defending patents on our platform, technologies, software, systems and processes in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States can be less extensive than those in the United States. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of the United States, and even where such protection is nominally available, judicial and governmental enforcement of such intellectual property rights may be lacking. Whether filed in the United States or abroad, our patent applications may be challenged or may fail to result in issued patents. Further, we may encounter

difficulties in protecting and defending such rights in foreign jurisdictions. Consequently, we may not be able to prevent third parties from practicing our inventions in some or all countries outside the United States, or from selling or importing products made using our inventions in and into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own platform or technologies and may also sell their products or services to territories where we have patent protection, but enforcement is not as strong as that in the United States. These platforms and technologies may compete with ours. Our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing. In addition, certain countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to other parties. Furthermore, many countries limit the enforceability of patents against other parties, including government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of any patents. In many foreign countries, patent applications and/or issued patents, or parts thereof, must be translated into the native language. If our patent applications or issued patents are translated incorrectly, they may not adequately cover our technologies; in some countries, it may not be possible to rectify an incorrect translation, which may result in patent protection that does not adequately cover our technologies in those countries.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of many other countries do not favor the enforcement of patents and other intellectual property protection, particularly those relating to biotechnology, which could make it difficult for us to stop the misappropriation or other violations of our intellectual property rights including infringement of our patents in such countries. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial cost and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing, and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, or that are initiated against us, and the damages or other remedies awarded, if any, may not be commercially meaningful. In addition, changes in the law and legal decisions by courts in the United States and foreign countries may affect our ability to obtain adequate protection for our technologies and the enforcement of intellectual property. 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.

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

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

- others may be able to make products that are similar to any product candidates generated by our technologies that our partners may develop but that are not covered by the claims of the patents that we own or may license or own in the future;
- we, or our current or future partners, might not have been the first to make the inventions covered by the issued patents and pending patent applications that we own or may license or own in the future;
- we, or our current or future partners, might not have been the first to file patent applications covering certain of our or their inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our owned or any future licensed intellectual property rights;

- it is possible that our pending patent applications or those that we may own in the future will not lead to issued patents;
- issued patents that we hold rights to may be held invalid or unenforceable, including as a result of legal challenges by our competitors;
- our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- we cannot ensure that any patents issued to us or our licensors will provide a basis for an exclusive market for our commercially viable technologies or will provide us with any competitive advantages;
- we cannot ensure that our commercial activities or technologies will not infringe upon the patents of others;
- we cannot ensure that we or our partners or future licensees will be able to further commercialize our technologies on a substantial scale, if approved, before the relevant patents that we own or may license expire;
- we cannot ensure that any of our patents, or any of our pending patent applications, if issued, or those of our licensors, will include claims having a scope sufficient to protect our technology;
- we may not develop additional proprietary technologies that are patentable;
- the patents or intellectual property rights of others may harm our business; and
- we may choose not to file a patent application in order to maintain certain trade secrets or know-how, and a third party may subsequently file a patent 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.

***If we are unable to protect the confidentiality of our information and our trade secrets, the value of our technologies could be materially adversely affected and our business could be harmed.***

We rely heavily on trade secrets and confidentiality agreements to protect our unpatented know-how, technologies and other proprietary information, including parts of our technology platform, and to maintain our competitive position. However, trade secrets and know-how can be difficult to protect. In addition to pursuing patents on our technologies, we take steps to protect our intellectual property and proprietary technologies by entering into agreements, including confidentiality agreements, non-disclosure agreements and intellectual property assignment agreements, with our employees, consultants, academic institutions, corporate and/or strategic partners, potential or existing investors and, when needed, our advisers. However, we cannot be certain that such agreements have been entered into with all relevant parties, and we cannot be certain that our trade secrets and other confidential proprietary information will not be disclosed or that competitors will not otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. For example, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Such agreements may not be enforceable or may not provide meaningful protection for our trade secrets or other proprietary information in the event of unauthorized use or disclosure or other breaches of the agreements, and we may not be able to prevent such unauthorized disclosure, which could adversely impact our

ability to establish or maintain a competitive advantage in the market. If we are required to assert our rights against such party, it could result in significant cost and distraction.

Monitoring unauthorized disclosure and detection of unauthorized disclosure is difficult, and we do not know whether the steps we have taken to prevent such disclosure are, or will be, adequate. If we were to enforce a claim that a third party had illegally obtained and was using our trade secrets, it would be expensive and time-consuming, and the outcome would be unpredictable. In addition, some courts both within and outside the United States may be less willing, or unwilling, to protect trade secrets. Further, we may need to share our trade secrets and confidential know-how with current or future business 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.

We also seek to preserve the integrity and confidentiality of our confidential proprietary information by maintaining physical security of our premises and physical and electronic security of our information technology systems, but it is possible that these security measures could be breached. If any of our confidential proprietary information were to be lawfully obtained or independently developed by a competitor or other third party, absent patent protection, we would have no right to prevent such competitor from using that technology or information to compete with us, which could harm our competitive position. If any of our trade secrets were to be disclosed to or independently discovered by a competitor or other third party, it could harm our business, financial condition, results of operations and prospects.

***We may be subject to claims 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.***

We have employed and expect to employ individuals who were previously employed at universities or other companies. Although we try to ensure that our employees, consultants, advisors and independent contractors do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that our employees, advisors, consultants or independent contractors have inadvertently or otherwise used or disclosed intellectual property, including trade secrets or other proprietary information of their former employers or other third parties, or to claims that we have improperly used or obtained such trade secrets. Litigation may be necessary to defend against these claims. If we fail in defending such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights and face increased competition to our business. A loss of key research personnel work product could hamper or prevent our ability to commercialize potential technologies and solutions, which could harm our business. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management.

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. Any of the foregoing could harm our business, financial condition, results of operations and prospects.



***We may not be able to protect and enforce our trademarks and trade names, or build name recognition in our markets of interest thereby harming our competitive position.***

The registered or unregistered trademarks or trade names that we own may be challenged, infringed, circumvented, declared generic, lapsed or determined to be infringing on or dilutive of other marks. We may not be able to protect our rights in these trademarks and trade names, which we need in order to build name recognition. In addition, third parties may in the future file for registration of trademarks similar or identical to our trademarks, thereby impeding our ability to build brand identity and possibly leading to market confusion. If they succeed in registering or developing common law rights in such trademarks, and if we are not successful in challenging such rights, we may not be able to use these trademarks to develop brand recognition of our technologies or platform. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Further, we have and may in the future enter into agreements with owners of such third party trade names or trademarks to avoid potential trademark litigation which may limit our ability to use our trade names or trademarks in certain fields of business.

Although we have registered Absci, SoluPure and SoluPro with the U.S. Patent and Trademark Office and certain other jurisdictions, we have not yet registered certain of our trademarks in all of our potential markets, and failure to secure those registrations could adversely affect our business. If we apply to register these trademarks in other countries, and/or other trademarks in the United States and other countries, our applications may not be allowed for registration in a timely fashion or at all; and further, our registered trademarks may not be maintained or enforced. In addition, opposition or cancellation proceedings may in the future be filed against our trademark applications and registrations, and our trademarks may not survive such proceedings. In addition, third parties may file first for our trademarks in certain countries. If they succeed in registering such trademarks, and if we are not successful in challenging such third party rights, we may not be able to use these trademarks to market our technologies in those countries. If we do not secure registrations for our trademarks, we may encounter more difficulty in enforcing them against third parties than we otherwise would. If we are unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively, which could harm our business, financial condition, results of operations and prospects. And, over the long-term, if we are unable to establish name recognition based on our trademarks, then our business development abilities may be materially adversely impacted.

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

We or any future licensors may be subject to claims that former employees, partners or other third parties have an interest in our owned or any future in-licensed patents, trade secrets or other intellectual property as an inventor or co-inventor. Litigation may be necessary to defend against these and other claims challenging inventorship of our or such licensors' ownership of our owned or any future in-licensed patents, trade secrets or other intellectual property. If we or our future licensors fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, intellectual property that is important to our systems. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees, and certain partners or partners may defer engaging with us until the particular dispute is resolved. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

***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 development and commercialization efforts of our technologies.***

There is a substantial amount of litigation, both within and outside the United States, involving patent and other intellectual property rights in the life sciences, clinical diagnostics and drug discovery industries, including patent infringement lawsuits, declaratory judgment litigation and adversarial proceedings before the USPTO, including interferences, derivation proceedings, ex parte reexaminations, post-grant review and *inter partes* review, as well as corresponding proceedings in foreign courts and foreign patent offices.

We may, in the future, become involved with litigation or actions at the USPTO or foreign patent offices with various third parties. We expect that the number of such claims may increase as our business, visibility and partnership base expand and the number of our technology development programs and resultant licensed technologies increases, and as the level of competition in our industry increases. Any infringement claim, regardless of its validity, could harm our business by, among other things, resulting in time-consuming and costly litigation, diverting management's time and attention from the development of our business, requiring the payment of monetary damages (including treble damages, attorneys' fees, costs and expenses) or royalty payments.

It may be necessary for us to pursue litigation or adversarial proceedings before the patent office in order to enforce our patent and proprietary rights or to determine the scope, coverage and validity of the proprietary rights of others. The outcome of any such litigation might not be favorable to us, and even if we were to prevail, such litigation could result in substantial costs and diversion of resources and could have a material adverse effect on our business, operating results or financial condition.

As we move into new markets and expand our technology offerings, incumbent participants in such markets may assert their patents and other proprietary rights against us as a means of slowing our entry into such markets or as a means to extract substantial license and royalty payments from us. In addition, future litigation may involve patent holding companies or other adverse patent owners who have no relevant product or service revenue and against whom our own patents may provide little or no deterrence or protection.

Third parties may assert that we are employing their proprietary technology without authorization. Given that biologic drug discovery and cell line development platform technology fields are highly competitive areas, there may be third-party intellectual property rights that others believe could relate to our technologies.

Because patent applications can take many years to issue, there may be currently pending patent applications which may later result in issued patents that our current or future products, technologies and services may infringe. We cannot be certain that we have identified or addressed all potentially significant third-party patents in advance of an infringement claim being made against us. In addition, similar to what other companies in our industry have experienced, we expect our competitors and others may have patents or may in the future obtain patents and claim that making, having made, using, selling, offering to sell or importing our technologies infringes these patents. Defense of infringement and other claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of management and employee resources from our business. Parties making claims against us may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. Parties making claims against us may be able to obtain injunctive or other relief, which could block our ability to develop, commercialize and sell products or services and could result in the award of substantial damages against us, including treble damages, attorney's fees, costs and expenses if we are found to have willfully infringed. In the event of a successful claim of infringement against us, we may be required to pay damages and ongoing royalties and obtain one or more licenses from third parties, or be prohibited from selling certain products or services. We may not be able to obtain these licenses on acceptable or commercially reasonable terms, if at all,

or these licenses may be non-exclusive, which could result in our competitors gaining access to the same intellectual property. In addition, we could encounter delays in product or service introductions while we attempt to develop alternative products or services to avoid infringing third-party patents or proprietary rights. Defense of any lawsuit or failure to obtain any of these licenses could prevent us from commercializing products or services, and the prohibition of sale of any of our technologies could materially affect our business and our ability to gain market acceptance for our technologies.

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

In addition, our agreements with some of our partners, suppliers or other entities with whom we do business require us to defend or indemnify these parties to the extent they become involved in infringement claims, including the types of claims described above. We could also voluntarily agree to defend or indemnify third parties in instances where we are not obligated to do so if we determine it would be important to our business relationships. If we are required or agree to defend or indemnify third parties in connection with any infringement claims, we could incur significant costs and expenses that could adversely affect our business, operating results or financial condition.

***Obtaining and maintaining our patent protection depends on compliance with various required procedures, document submissions, fee payments 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 issued United States and most foreign patents and/or applications will be due to be paid to the USPTO and various governmental patent agencies outside of the United States at several stages over the lifetime of the patents and/or applications in order to maintain such patents and patent applications. We have systems in place to remind us to pay these fees, and we engage an outside service to pay such fees due to patent agencies. The USPTO and various non-U.S. governmental patent agencies 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. Non-compliance events that could result in abandonment or lapse of a patent or patent application include failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. In such an event, if we or any future licensors fail to maintain the patents and patent applications covering technologies our competitors may be able to enter the market with similar or identical products or technology without infringing our patents and this circumstance would have a material adverse effect on our business.

***Patent terms may be inadequate to protect our competitive position on our technology for an adequate amount of time.***

Patents have a limited lifespan. In the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from its earliest U.S. non-provisional filing date. Various extensions may be available, but the life of a patent, and the protection it affords, is limited. Even if patents covering our platform or technologies are obtained, once the patent life has expired, we may be open to competition from others. If our platform or technologies require

extended development and/or regulatory review, patents protecting our platform or technologies might expire before or shortly after we are able to successfully commercialize them. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing processes or technologies similar or identical to ours.

***Some of our jointly owned intellectual property has been discovered through government funded programs and thus may be subject to federal regulations such as “march-in” rights, certain reporting requirements and a preference for U.S.-based companies, and compliance with such regulations may limit our exclusive rights and our ability to contract with non-U.S. manufacturers.***

The United States federal government retains certain rights in inventions produced with its financial assistance under the Bayh-Dole Act. The federal government retains a “nonexclusive, nontransferable, irrevocable, paid-up license” for its own benefit. The Bayh-Dole Act also provides federal agencies with “march-in rights”. March-in rights allow the government, in specified circumstances, to require the contractor or successors in title to the patent to grant a “nonexclusive, partially exclusive, or exclusive license” to a “responsible applicant or applicants” if it determines that (1) adequate steps have not been taken to commercialize the invention and achieve practical application of the government-funded technology, (2) government action is necessary to meet public health or safety needs, (3) government action is necessary to meet requirements for public use under federal regulations or (4) we fail to meet requirements of federal regulations. If the patent owner refuses to do so, the government may grant the license itself. Some of our jointly owned or licensed patents are subject to the provisions of the Bayh-Dole Act. If our licensors fail to comply with the regulations of the Bayh-Dole Act, they could lose title to any patents subject to such regulations, which could affect our license rights under the patents and our ability to stop others from using or commercializing similar or identical technology and products, or limit patent protection for our technology and products.

### **Risks Related to This Offering and Our Common Stock**

***Our share price may be volatile, and you may be unable to sell your shares at or above the offering price.***

The market price of our common stock is likely to be volatile and could be subject to wide fluctuations in response to many risk factors listed in this section, and others beyond our control, including:

- actual or anticipated fluctuations in our financial condition and operating results, including fluctuations in our quarterly and annual results;
- the termination of partnership agreements by our partners or announcements that our partners will cease developing a product originating from our platform;
- the introduction of new technologies or enhancements to existing technology by us or others in our industry;
- our inability to establish additional partnerships;
- departures of key personnel;
- announcements of significant acquisitions, strategic partnerships, joint ventures or capital commitments by us or our competitors;
- our failure to meet the estimates and projections of the investment community or that we may otherwise provide to the public;
- changes in the regulatory landscape that subject us to additional regulatory and legal requirements;

- publication of research reports about us or our industry, or biologic drug discovery or cell line development in particular, or positive or negative recommendations or withdrawal of research coverage by securities analysts;
- release of unfavorable publicity about us, our partners, our competitors, or the biopharmaceutical industry, including through press coverage or social media;
- changes in the market valuations of similar companies;
- overall performance of the equity markets;
- sales of our common stock by us or our stockholders in the future;
- trading volume of our common stock;
- disputes or other developments relating to proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our technologies;
- significant lawsuits, including patent or stockholder litigation;
- the impact of the ongoing COVID-19 pandemic on our business;
- general political and economic conditions; and
- other events or factors, many of which are beyond our control.

In addition, the stock market in general, and the Nasdaq Global Market and technology and life sciences companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. Broad market and industry factors may negatively affect the market price of our common stock, regardless of our actual operating performance. If the market price of our common stock after this offering does not exceed the initial public offering price, you may not realize any return on your investment in us and may lose some or all of your investment. In the past, securities class action litigation has often been instituted against companies following periods of volatility in the market price of a company's securities. This type of litigation, if instituted, could result in substantial costs and a diversion of management's attention and resources, which would harm our business, financial condition and results of operations.

***We identified a material weakness in our internal control over our financial reporting process. If we are unable to remediate this material weakness, we may not be able to accurately or timely report our financial condition or results of operations.***

While we and our independent registered public accounting firm did not and were not required to perform an audit of our internal control over financial reporting, in connection with the audits of our 2019 and 2020 consolidated financial statements, we and our independent registered public accounting firm identified control deficiencies in the design and operation of our internal control over financial reporting that constituted a material weakness. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis. We identified a material weakness in our internal control over our financial statement close process specifically related to an insufficient complement of accounting and finance personnel with the necessary U.S. GAAP technical expertise to timely identify and account for complex or non-routine transactions.

These control deficiencies could result in a misstatement of our accounts or disclosures that would result in a material misstatement of our financial results that would not be prevented or detected, and accordingly, we determined that these control deficiencies constitute a material weakness.

We are working to remediate the material weakness and are taking steps to strengthen our internal control over financial reporting through the hiring of additional finance and accounting personnel with the requisite technical knowledge and skills. With the additional personnel, we intend to take appropriate and reasonable steps to remediate this material weakness through the implementation of appropriate segregation of duties, formalization of accounting policies and controls and retention of appropriate expertise for complex accounting transactions. We will not be able to fully remediate these control deficiencies until these steps have been completed and have been operating effectively for a sufficient period of time. The hiring of additional finance and accounting personnel and the implementation of improvements to our accounting and proprietary systems and controls may be costly and time consuming and the cost to remediate may impair our results of operations in the future.

We cannot assure you that the measures we have taken to date will be sufficient to remediate the material weakness we identified or avoid the identification of additional material weaknesses in the future. If the steps we take do not remediate the material weakness in a timely manner, there could continue to be a reasonable possibility that this material weakness or other control deficiencies could result in a material misstatement of our annual or interim financial statements that would not be prevented or detected on a timely basis. If we fail to remediate our material weakness, identify future material weaknesses in our internal control over financial reporting or fail to meet the demands that will be placed upon us as a public company, including the requirements of the Sarbanes-Oxley Act of 2002, as amended (Sarbanes-Oxley Act), we may be unable to accurately report our financial results or report them within the timeframes required by law or stock exchange regulations. Failure to comply with Section 404 of the Sarbanes-Oxley Act could also potentially subject us to sanctions or investigations by the SEC or other regulatory authorities. If additional material weaknesses exist or are discovered in the future, and we are unable to remediate any such material weakness, our reputation, results of operations and financial condition could suffer.

***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. We have begun recruiting additional finance and accounting personnel with certain skill sets that we will need as a public company.

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 our efforts to maintain proper and effective internal control over financial reporting, we may discover new significant deficiencies or material weaknesses in our internal control over financial reporting, which we may not successfully remediate on a timely basis or at all. Any failure to remediate our existing any new significant deficiencies or material weaknesses identified by us or to implement required new or improved controls, or difficulties encountered in their implementation, could cause us to fail to meet our reporting obligations or result in material misstatements in our financial statements. If we identify one or more material weaknesses in the future, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements, which may harm the market price of our common stock.

***We are in the process of identifying key business metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and make strategic decisions, and any such metrics may not accurately reflect all aspects of our business needed to make such evaluations and decisions, in particular as our business continues to grow.***

In addition to our financial results, we expect to review a number of operating and financial metrics, including number of programs under contract, the trend of potential downstream revenue terms (milestones and royalties) of the portfolio, the performance of the portfolio in probability of success in achieving clinical milestones as compared to historical averages and the performance of the portfolio in the time taken to achieve clinical milestones, to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and make strategic decisions. To date, we have only entered into partnerships for 10 programs with respect to which we have or are positioned to negotiate royalty- and milestone-bearing licenses. Accordingly, we do not presently have sufficient information to make accurate predictions regarding our potential revenue and financial performance.

Any metrics that we may identify may not accurately reflect all aspects of our business and we anticipate that these metrics may change or may be substituted for additional or different metrics as our business grows and as we introduce new solutions. If we fail to review other relevant information or change or substitute the key business metrics we review as our business grows, our ability to accurately formulate financial projections and make strategic decisions may be compromised and our business, financial results and future growth prospects may be adversely impacted.

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

The initial public offering price is expected to be substantially higher than the net tangible book value per share of common stock. Investors purchasing shares of common stock in this offering will pay a price per share that substantially exceeds our net tangible book value per share after this offering. Based on the initial public offering price of \$ per share, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, investors purchasing shares of common stock in this offering will incur immediate dilution of \$ per share as of March 31, 2021, representing the difference between our pro forma as adjusted net tangible book value per share, after giving effect to this offering, and the initial public offering price. Further, investors purchasing shares of common stock in this offering will contribute approximately % of the total amount invested by stockholders since our inception but will own only approximately % of the total number of shares of common stock outstanding after this offering.

This dilution is due to our investors who purchased shares prior to this offering having paid substantially less when they purchased their shares than the price offered to the public in this offering. To the extent that outstanding stock options or warrants are exercised, there will be further dilution to new investors. As a result of the dilution to investors purchasing shares of common stock in this offering, investors may receive significantly less than the purchase price paid in this offering, if anything, in the event of our liquidation. For a further description of the dilution that you will experience immediately after this offering, see the section of this prospectus titled "Dilution."

***A significant portion of our total outstanding shares are restricted from immediate resale but may be sold into the market in the near future. This could cause the market price of our common stock to drop significantly, even if our business is doing well.***

Sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell their shares, could result in a decrease in the market price of our common stock.

Immediately after this offering, we will have outstanding \_\_\_\_\_ shares of common stock based on the number of shares outstanding as of March 31, 2021. This includes the shares that we are selling in this offering, which may be resold in the public market immediately without restriction, unless purchased by our affiliates. Of the remaining shares, \_\_\_\_\_ shares are currently restricted as a result of securities laws, 180-day market stand-off provisions in agreements with us or 180-day lock-up agreements with the underwriters, but will be able to be sold after the offering as described in the section of this prospectus entitled “Shares Eligible for Future Sale.” Moreover, after this offering, holders of an aggregate of up to \_\_\_\_\_ shares of our common stock issuable upon the conversion of shares of our redeemable convertible preferred stock and the holder of our outstanding warrant to purchase \_\_\_\_\_ shares of our common stock, will have rights, subject to some conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or other stockholders as described in the section of this prospectus entitled “Description of Capital Stock—Registration Rights.” We also intend to register all shares of common stock that we may issue under our equity compensation plans. Once we register these shares, they can be freely sold in the public market, subject to volume limitations applicable to affiliates and the market stand-off provisions and lock-up agreements described in the section of this prospectus entitled “Underwriting.”

***Future sales and issuances of our common stock or rights to purchase common stock, including pursuant to the adoption of our 2021 Plan and 2021 ESPP, could result in additional dilution of the percentage ownership of our stockholders and could cause our share price to fall.***

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

Pursuant to our new 2021 Plan and 2021 ESPP, which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part, our management is authorized to grant stock options to our employees, directors and consultants.

Initially, the aggregate number of shares of our common stock that may be issued pursuant to share awards under the 2021 Plan and 2021 ESPP will be \_\_\_\_\_ shares. The number of shares of common stock reserved for issuance under the 2021 Plan and 2021 ESPP shall be cumulatively increased on January 1, 2022 and each January 1 thereafter by \_\_\_\_\_ % of the total number of shares of common stock outstanding on December 31 of the preceding calendar year or a lesser number of shares determined by our board of directors. Unless our board of directors elects not to increase the number of shares available for future grant each year, our stockholders will experience additional dilution, which could cause our share price to fall.

***We may allocate the net proceeds from this offering in ways that you and other stockholders may not approve.***

Our management will have broad discretion in the application of the net proceeds from this offering, including for any of the purposes described in the section titled “Use of Proceeds.” Because of the number and variability of factors that will determine our use of the net proceeds from this offering, their ultimate use may vary substantially from their currently intended use. Our management might not apply our net proceeds in ways that ultimately increase the value of your investment, and the failure by our management to apply these funds effectively could harm our business. Pending their use, we may invest the net proceeds from this offering in short- and intermediate-term, interest-bearing obligations, investment-grade instruments, certificates of



deposit or direct or guaranteed obligations of the U.S. government. These investments may not yield a favorable return to our stockholders. If we do not invest or apply the net proceeds from this offering in ways that enhance stockholder value, we may fail to achieve expected results, which could cause our stock price to decline.

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

We currently anticipate that we will retain future earnings for the development, operation, expansion and continued investment into our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. In addition, we may enter into agreements that prohibit us from paying cash dividends without prior written consent from our contracting parties, or which other terms prohibiting or limiting the amount of dividends that may be declared or paid on our common stock. Any return to stockholders will therefore be limited to the appreciation of their common stock, which may never occur.

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

Based on the number of shares outstanding on a fully diluted basis as of March 31, 2021, our executive officers, directors, and 5% stockholders will beneficially own approximately % of our common stock. Non-executive employees will beneficially own an additional % of our common stock on a fully diluted basis. After the sale and issuance of shares in this offering, our executive officers, directors, and 5% stockholders will beneficially own approximately % of our common stock (including any shares purchased by our executive officers, directors and 5% stockholders in this offering). Therefore, after this offering, these stockholders will have the ability to influence us through this ownership position. These stockholders may be able to determine all matters requiring stockholder approval. For example, these stockholders may be able to control elections of directors, amendments of our organizational documents or approval of any merger, sale of assets or other major corporate transaction. This may prevent or discourage unsolicited acquisition proposals or offers for our common stock that you may feel are in your best interest as one of our stockholders.

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

Sales of a substantial number of shares of our common stock in the public market after this offering, or the perception that these sales might occur, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. Based on the number of shares of common stock outstanding as of March 31, 2021, upon the closing of this offering, we will have shares of common stock outstanding, assuming no exercise of our outstanding options.

All of the common stock sold in this offering will be freely tradable without restrictions or further registration under the Securities Act of 1933, as amended (Securities Act), except for any shares held by our affiliates as defined in Rule 144 under the Securities Act. The remaining shares of common stock outstanding after this offering, based on shares outstanding as of March 31, 2021, will be restricted as a result of securities laws, lock-up agreements or other contractual restrictions that restrict transfers for at least 180 days after the date of this prospectus, subject to certain extensions.

The underwriters may, in their sole discretion, release all or some portion of the shares subject to lock-up agreements with the underwriters prior to expiration of the lock-up period. See also the section of this prospectus captioned "Shares Eligible for Future Sale." For more information regarding the lock-up agreements with the underwriters see the section of this prospectus captioned "Underwriting."

The holders of \_\_\_\_\_ shares of common stock, or \_\_\_\_\_ % based on shares outstanding on an as-converted basis as of March 31, 2021, will be entitled to rights with respect to registration of such shares under the Securities Act pursuant to a registration rights agreement between such holders and us. See “Certain Relationships and Related Party Transactions—Registration Rights Agreement” below. If such holders, by exercising their registration rights, sell a large number of shares, they could adversely affect the market price for our common stock. If we file a registration statement for the purpose of selling additional shares to raise capital and are required to include shares held by these holders pursuant to the exercise of their registration rights, our ability to raise capital may be impaired. We intend to file a registration statement on Form S-8 under the Securities Act to register \_\_\_\_\_ shares of common stock for issuance under the 2021 Plan, the 2020 Plan and the 2021 ESPP. Our 2021 Plan and the 2021 ESPP will provide for automatic increases in the shares reserved for issuance under the plans which could result in additional dilution to our stockholders. Once we register the shares under these plans, they can be freely sold in the public market upon issuance and vesting, subject to a 180-day lock-up period and other restrictions provided under the terms of the applicable plan and/or the option agreements entered into with option holders.

***No public market for our common stock currently exists, and an active trading market may not develop or be sustained following this offering.***

Prior to this offering, there has been no public market for our common stock. An active trading market may not develop following the closing of this offering or, if developed, may not be sustained. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. The lack of an active market may also reduce the fair market value of your shares. An inactive market may also impair our ability to raise capital to continue to fund operations by selling shares and may impair our ability to acquire other companies or technologies by using our shares as consideration. The initial public offering price was determined by negotiations between us and the underwriters and may not be indicative of the future prices of our common stock.

***Provisions in our corporate charter documents and under Delaware law could make an acquisition of us more difficult and may prevent attempts by our stockholders to replace or remove our current management.***

Provisions in our amended and restated certificate of incorporation and our amended and restated bylaws that will become effective upon the closing of this offering may discourage, delay or prevent a merger, acquisition or other change in control of us that stockholders may consider favorable, including transactions in which stockholders might otherwise receive a premium for their shares. 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, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors. Because our board of directors is responsible for appointing the members of our management team, these provisions could in turn affect any attempt by our stockholders to replace current members of our management team. Among others, these provisions include that:

- our board of directors has the right to expand the size of our board of directors and to elect directors to fill a vacancy created by the expansion of the board of directors or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors;
- our board of directors is divided into three classes, Class I, Class II and Class III, with each class serving staggered three-year terms, which may delay the ability of stockholders to change the membership of a majority of our board of directors;
- our stockholders may not act by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;

- a special meeting of stockholders may be called only by the chair of the board of directors, the chief executive officer, or a majority of the board of directors, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors;
- our amended and restated certificate of incorporation prohibits cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- our board of directors may alter our bylaws without obtaining stockholder approval;
- the required approval of the holders of at least 75% of the voting power of all of the then outstanding shares of voting stock to adopt, amend or repeal our bylaws or repeal the provisions of our amended and restated certificate of incorporation regarding the election and removal of directors;
- stockholders must provide advance notice and additional disclosures in order to nominate individuals for election to the board of directors or to propose matters that can be acted upon at a stockholders' meeting, which may discourage or deter a potential acquiror from conducting a solicitation of proxies to elect the acquiror's own slate of directors or otherwise attempting to obtain control of our company; and
- our board of directors is authorized to issue shares of preferred stock and to determine the terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquiror.

Moreover, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, 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.

***Our amended and restated certificate of incorporation will provide that the Court of Chancery of the State of Delaware will be the exclusive forum for certain disputes between us and our stockholders and that the federal district courts of the United States will be the exclusive forum for certain actions under federal securities laws, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.***

Our amended and restated certificate of incorporation that will become effective upon the closing of this offering specifies that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for most legal actions involving actions brought against us by stockholders; provided that, if and only if the Court of Chancery of the State of Delaware dismisses any such action for lack of subject matter jurisdiction, such action may be brought in another state or federal court sitting in the State of Delaware. Our amended and restated certificate of incorporation will also provide that the federal district courts of the United States of America will be the exclusive forum for the resolution of any complaint asserting a cause of action against us or any of our directors, officers, employees or agents and arising under the Securities Act. The choice of forum provisions will not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction.

We believe these provisions may benefit us by providing increased consistency in the application of Delaware law and federal securities laws by chancellors and judges, as applicable, particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi-forum litigation. These choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum

that it finds favorable for disputes with us or any of our directors, officers, other employees or stockholders, which may discourage lawsuits with respect to such claims or make such lawsuits more costly for stockholders, although our stockholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder. There is uncertainty as to whether a court would enforce such provisions, and the enforceability of similar choice of forum provisions in other companies' charter documents has been challenged in legal proceedings. 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. If a court were to find these types of provisions to be inapplicable or unenforceable, and if a court were to find the exclusive forum provision in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could materially adversely affect our business.

***Our ability to use our net operating losses and certain other tax attributes may be limited.***

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 a cumulative change of more than 50 percentage points (by value) in its equity ownership by certain stockholders over a rolling three-year period, the corporation's ability to use its pre-change NOL carryforwards and other pre-change tax attributes (such as research tax credits) to offset its post-change taxable income or taxes may be limited. We have experienced at least one ownership change in the past, and we may experience ownership changes in the future as a result of shifts in our stock ownership (some of which shifts are outside our control), including in connection with this offering. As a result, if we earn net taxable income, our ability to use our pre-change NOL carryforwards to offset such taxable income may be subject to limitations. Similar provisions of state tax law may also apply to limit our use of accumulated state tax attributes. As a result, even if we attain profitability, we may be unable to use a material portion of our NOL carryforwards and other tax attributes, which could adversely affect our future cash flows.

**General Risk Factors**

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

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

***Unfavorable U.S. 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 most recent global financial crisis caused extreme volatility and disruptions in the capital and credit markets. A severe or prolonged economic downturn could result in a variety of risks to our business, including weakened demand for our technologies and our ability to raise additional capital when needed on favorable terms, if at all. A weak or declining

economy could strain our partners, possibly resulting in supply disruption, or cause delays in their payments to us. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the current economic climate and financial market conditions could adversely impact our business.

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

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

***Our employees, consultants and commercial partners 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, consultants, advisors, and partners. Misconduct by these parties could include intentional failures to comply with the applicable laws and regulations in the United States and abroad, report financial information or data accurately or disclose unauthorized activities to us. These laws and regulations may restrict or prohibit a wide range of pricing, discounting and other business arrangements. Such misconduct could result in legal or regulatory sanctions and cause serious harm to our reputation. It is not always possible to identify and deter employee misconduct, and any other precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses, or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with 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 result in the imposition of significant civil, criminal and administrative penalties, which could have a significant impact on our business. Whether or not we are successful in defending against such actions or investigations, we could incur substantial costs, including legal fees and divert the attention of management in defending ourselves against any of these claims or investigations.

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

We do not carry insurance for all categories of risk that our business may encounter and our policies have limits and significant deductibles. Some of the policies we currently maintain include general liability, property, umbrella and directors' and officers' insurance.

Any additional insurance coverage we acquire in the future, may not be sufficient to reimburse us for any expenses or losses we may suffer. Moreover, insurance coverage is becoming increasingly expensive and in the future we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses. A successful liability claim or series of claims in which judgments exceed our insurance coverage could adversely affect our business, financial condition, results of operations and prospects, including preventing or limiting the use of our platform to generate products.

We also expect that operating as a public company will make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified people to serve on our board of directors, our board committees or as executive officers. We do not know if we will be able to maintain existing insurance with adequate levels of coverage. Any significant uninsured liability may require us to pay substantial amounts, which would adversely affect our business, financial condition, results of operations and prospects.

***Security breaches, loss of data and other disruptions could compromise sensitive information related to our business or prevent us from accessing critical information and expose us to liability, which could adversely affect our business and our reputation.***

In the ordinary course of our business, we generate and store sensitive data, including research data, intellectual property and proprietary business information owned or controlled by ourselves or our employees, partners and other parties. We manage and maintain our applications and data utilizing a combination of on-site systems and cloud-based data centers. We utilize external security and infrastructure vendors to manage parts of our data centers. These applications and data encompass a wide variety of business-critical information, including research and development information, commercial information and business and financial information. We face a number of risks relative to protecting this critical information, including loss of access risk, inappropriate use or disclosure, accidental exposure, unauthorized access, inappropriate modification and the risk of our being unable to adequately monitor and audit and modify our controls over our critical information. This risk extends to the third party vendors and subcontractors we use to manage this sensitive data or otherwise process it on our behalf. Further, to the extent our employees may work remotely, additional risks may arise as a result of depending on the networking and security put into place by the employees. The secure processing, storage, maintenance and transmission of this critical information are vital to our operations and business strategy, and we devote significant resources to protecting such information. Although we take reasonable measures to protect sensitive data from unauthorized access, use or disclosure, no security measures can be perfect and our information technology and infrastructure may be vulnerable to attacks by hackers or infections by viruses or other malware or breached due to employee erroneous actions or inactions by our employees or contractors, malfeasance or other malicious or inadvertent disruptions. Any such breach or interruption could compromise our networks and the information stored there could be accessed by unauthorized parties, publicly disclosed, lost or stolen. Any such access, breach, or other loss of information could result in legal claims or proceedings. Unauthorized access, loss or dissemination could also disrupt our operations and damage our reputation, any of which could adversely affect our business.

Additionally, although we maintain cybersecurity insurance coverage, we cannot be certain that such coverage will be adequate for data security liabilities actually incurred, will cover any indemnification claims against us relating to any incident, will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could adversely affect our reputation, business, financial condition and results of operations.

***We are an emerging growth company, and the reduced reporting requirements applicable to emerging growth companies could make our common stock less attractive to investors.***

We are an emerging growth company, as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including not being required to comply with the auditor attestation requirements of

Section 404 of the Sarbanes-Oxley Act of 2002 reduced disclosure obligations regarding executive compensation in this prospectus and our periodic reports and proxy statements, exemptions from the requirements of holding nonbinding advisory votes on executive compensation and stockholder approval of any golden parachute payments not previously approved, and an exemption from compliance with the requirement of the Public Accounting Oversight Board regarding the communication of critical audit matters in the auditor's report on the financial statements. We could be an emerging growth company for up to five years following the year in which we complete this offering, although circumstances could cause us to lose that status earlier. We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the date of the closing of this offering, (b) in which we have total annual gross revenue of at least \$1.07 billion or (c) in which we are deemed to be a large accelerated filer, which requires the market value of our common stock that are held by non-affiliates to exceed \$700.0 million as of the prior June 30th, and (2) the date on which we have issued more than \$1.0 billion in non-convertible debt during the prior three-year period.

In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This 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 use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

We cannot predict if investors will find our common stock less attractive because we may rely on the reporting exemptions and the extended transition period for complying with new or revised accounting standards. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our share price may be more volatile.

***We will incur significant 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.***

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

We expect the rules and regulations applicable to public companies to substantially increase our legal and financial compliance costs and to make some activities more time-consuming and costly. If these requirements divert the attention of our management and personnel from other business concerns, they could have a material adverse effect on our business, financial condition, and results of operations. The increased costs will decrease our net income or increase our net loss and may require us to reduce costs in other areas of our business, limit our investments in business expansion, or increase the technology development fees and other payment terms we negotiate with partners. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to incur substantial costs to maintain the same or similar coverage. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees, or as executive officers.

Pursuant to Section 404, in our second annual report due to be filed with the SEC after becoming a public company, we will be required to furnish a report by our management on our internal control over financial reporting. To achieve compliance with Section 404 within the prescribed period, we will be engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants, adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing whether such controls are functioning as documented, and implement a continuous reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed timeframe or at all, that our internal control over financial reporting is effective as required by Section 404. In addition, investors' perceptions that our internal controls are inadequate or that we are unable to produce accurate financial statements on a timely basis may harm the market price of our stock.

***We or our partners may be adversely affected by natural or man-made disasters or other business interruptions, such as cybersecurity attacks, and our business continuity and disaster recovery plans, or those of our partners, may not adequately protect us from the effects of a serious disaster.***

Natural and man-made disasters and other events beyond our control could severely disrupt our operations, or those of our partners, and have a material adverse impact on our business, results of operations, financial condition and prospects. If a natural disaster, power outage, cybersecurity attack or other event occurred that prevented us from using all or a significant portion of our headquarters, damaged critical infrastructure, such as our laboratory facilities or those of our partners, limited our or our partners' ability to access or use our respective digital information systems or that otherwise disrupted our respective operations, it may be difficult or, in certain cases, impossible for us or our partners to continue our respective businesses for a substantial period of time. The disaster recovery and business continuity plans we and our partners currently have in place are limited and are unlikely to prove adequate in the event of a serious disaster or similar event. Our cybersecurity liability insurance may not cover any or all damages, depending on the severity and extent, we or our partners could sustain based on any breach of our respective computer security protocols or other cybersecurity attack. We may incur substantial expenses as a result of the limited nature of our respective disaster recovery and business continuity plans, which could have a material adverse impact on our business.

***Our results of operations and financial condition could be materially adversely affected by changes in accounting principles.***

The accounting for our business is subject to change based on the evolution of our business model, interpretations of relevant accounting principles, enforcement of existing or new regulations and



changes in policies, rules, regulations and interpretations, of accounting and financial reporting requirements of the SEC or other regulatory agencies. Adoption of a change in accounting principles or interpretations could have a significant effect on our reported results of operations and could affect the reporting of transactions completed before the adoption of such change. It is difficult to predict the impact of future changes to accounting principles and accounting policies over financial reporting, any of which could adversely affect our results of operations and financial condition and could require significant investment in systems and personnel.

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

The preparation of financial statements in conformity with generally accepted accounting principles in the United States (U.S. GAAP) requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience, known trends and events, and various other factors that we believe to be reasonable under the circumstances, as provided in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates." The results of these estimates form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Significant assumptions and estimates used in preparing our consolidated financial statements include the estimated variable consideration included in the transaction price in our contracts with partners, stock-based compensation, purchase price allocations for recent acquisitions, and valuation of our common stock. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the trading price of our common stock.

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

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

Upon completion of this offering, we will become subject to certain reporting requirements of the Exchange Act. Our disclosure controls and procedures are designed to reasonably assure that information required to be disclosed by us in reports we file or submit under the Exchange Act is accumulated and communicated to management, recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. 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 or insufficient disclosures due to error or fraud may occur and not be detected.

## Cautionary Note Regarding Forward-Looking Statements

This prospectus contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, concerning our business, operations and financial performance and condition, as well as our plans, objectives and expectations for our business operations and financial performance and condition 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 our strategy, future operations, future financial position, future revenue, projected costs, prospects, plans, objectives of management and expected market growth, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, 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:

- our expectations regarding our further development of, successful application of, and the rate and degree of market acceptance of, our Integrated Drug Creation Platform;
- our expectations regarding the markets for our services and technologies, including the growth rate of the biologics and next-generation biologics markets;
- our ability to attract new partners and enter into technology development agreements that contain milestone and royalty obligations in favor of us;
- the potential to receive revenue for the achievement of milestones and royalties under agreements for sales of products originating from our integrated drug creation platform;
- our ability to enter into license agreements with the partners in our existing Active Programs for which our partners don't have current milestone and royalty obligations;
- our ability to manage and grow our business by expanding our relationships with existing partners or introducing our Integrated Drug Creation Platform to new partners;
- our expectations regarding our current and future partners continued development of biologic drugs generated utilizing our platform;
- our estimates of our expenses, ongoing losses, future revenue, capital requirements and our need for or ability to obtain additional funding before we can expect to generate any revenue;
- our estimates of the sufficiency of our cash resources;
- our ability to establish or maintain collaborations, partnerships or strategic relationships;
- our ability to provide our partners with a full biologic drug discovery and cell line development solution from target to IND-ready, including non-standard amino acid incorporation capabilities;
- our ability to obtain and maintain intellectual property protection for our platform, products and technologies, the duration of such protection and our ability to operate our business without infringing on the intellectual property rights of others;
- our ability to attract, hire and retain key personnel and to manage our future growth effectively;
- our expectations regarding use of the proceeds from this offering;
- our financial performance;

- the volatility of the trading price of our common stock;
- our competitive position and the development of and projections relating to our competitors or our industry;
- the potential impact of the ongoing COVID-19 pandemic on our business or operations;
- the impact of laws and regulations;
- our expectations regarding the time during which we will be an emerging growth company under the JOBS Act; and
- our expectations about market trends.

In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “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 “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. However, while we may elect to update these forward-looking statements at some point in the future, we assume no obligation to update or revise any forward-looking statements except to the extent required by applicable law. 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.

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 rely unduly upon these statements.

## Market and Industry Data and Forecasts

We obtained the industry, market and competitive position data used throughout this prospectus from our own internal estimates and research, as well as from industry and general publications and surveys, governmental agencies and publicly available information, including aggregated publicly available data from EvaluatePharma® [April, 2021] Evaluate Ltd. (Evaluate Pharma data). Internal estimates are derived from publicly available information released by industry analysts and third-party sources, our internal research and our industry experience, and are based on assumptions made by us based on such data and our knowledge of our industry and market, which we believe to be reasonable. In some cases, we do not expressly refer to the sources from which these data are derived. In that regard, when we refer to one or more sources of this type of data in any paragraph, you should assume that other data of this type appearing in the same paragraph is derived from the same sources, unless otherwise expressly stated or the context otherwise requires. In addition, while we believe the industry, market and competitive position data included in this prospectus is reliable and based on reasonable assumptions, such data involve risks and uncertainties and are subject to change based on various factors, including those discussed in "Risk Factors." These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties or by us.

## Use of Proceeds

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

Each \$1.00 increase or decrease in the assumed initial public offering price of \$ \_\_\_\_\_ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease, as applicable the net proceeds to us from this offering by approximately \$ \_\_\_\_\_ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated 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, as set forth on the cover page of this prospectus, would increase or decrease, as applicable, our net proceeds from this offering by approximately \$ \_\_\_\_\_ million, assuming the assumed initial public offering price to the public remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We do not expect that a change in the initial price to the public or the number of shares by these amounts would have a material effect on the uses of the proceeds from this offering, although it may accelerate the time at which we will need to seek additional capital.

The principal purpose of this offering is to obtain additional capital to support our operations and growth, create a public market for our common stock, and enable access to the public equity markets for us and our stockholders.

As of March 31, 2021, we had cash and cash equivalents of \$185.1 million. We currently expect to use our net proceeds from this offering, together with our existing cash and cash equivalents, to further our investment in expanding our Integrated Drug Creation Platform's capabilities, continued growth of our business development organization and activities, and for general corporate purposes, including working capital, capital expenditures, and operating expenses. We may also use a portion of the remaining net proceeds, if any, to acquire complementary businesses, products, services or technologies, including scientific expertise, although we have no binding agreements or commitments to do so at this time.

Based on our current plans, we believe that the net proceeds from this offering, together with our existing cash and cash equivalents, will be sufficient to fund our operating expenses and capital expenditure requirements at least through \_\_\_\_\_. We have based this estimate on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect.

The expected use of net proceeds from this offering represents our intentions based upon our present plans and business conditions. We cannot specify with certainty all of the particular uses for the net proceeds to be received upon the closing of this offering. Due to uncertainties inherent in the product development process, it is difficult to estimate the exact amounts of the net proceeds that will be used for any particular purpose. We may use our existing cash and cash equivalents and the future payments, if any, generated from any future collaboration agreements to fund our operations, either of which may alter the amount of net proceeds used for a particular purpose. In addition, the amount, allocation and timing of our actual expenditures will depend upon numerous factors, including the results of our research and development efforts as well as our interactions with regulatory authorities. Accordingly, we will have broad discretion in using these proceeds.

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

## **Dividend Policy**

We have never declared or paid any cash dividends on our capital stock. We do not anticipate paying any dividends on our capital stock in the foreseeable future. We currently intend to retain all available funds and any future earnings to fund the development and growth of our business. Any future determination to declare dividends will be subject to the discretion of our board of directors and will depend on various factors, including applicable laws, our results of operations, financial condition, future prospects and any other factors deemed relevant by our board of directors. In addition, under our loan and security agreement with Bridge Bank we are prohibited from declaring and issuing dividends without the Lenders consent. Investors should not purchase our common stock with the expectation of receiving cash dividends.

## Capitalization

The following table sets forth our cash and cash equivalents and total capitalization as of March 31, 2021:

- on an actual basis;
- on a pro forma basis to give effect to (i) the conversion of all outstanding shares of our redeemable convertible preferred stock as of March 31, 2021 into an aggregate of 14,099,936 shares of our common stock immediately prior to the completion of this offering; (ii) the issuance of \_\_\_\_\_ shares of common stock upon the conversion of all outstanding principal and accrued interest on the Convertible Notes upon the completion of this offering, assuming an initial public offering price per share of \$ \_\_\_\_\_, the midpoint of the price range set forth on the cover of this prospectus, and assuming that the offering is completed on \_\_\_\_\_, 2021, (iii) the consummation of the Totient Acquisition (other than the potential payment of the additional \$15.0 million for achievement of certain milestones) and (iv) the filing and effectiveness of our amended and restated certificate of incorporation immediately prior to the completion of this offering; and
- on a pro forma as adjusted basis to give effect to (i) the pro forma adjustments described above, and (ii) the issuance and sale of \_\_\_\_\_ shares of our common stock in this offering at an assumed initial public offering price of \$ \_\_\_\_\_ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions, and estimated offering expenses payable by us.

You should read this information together with our financial statements and related notes appearing elsewhere in this prospectus and the information set forth under the heading "Selected



Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

	As of March 31, 2021		
	Actual	Pro Forma	Pro Forma As Adjusted <sup>(1)</sup>
	(unaudited)		
	(in thousands, except share and per share data)		
Cash and cash equivalents	\$ 180,756		\$
Convertible Notes	\$ 125,000		
Long-Term Debt, including current portion	5,055		
Redeemable convertible preferred stock, \$0.0001 par value; 14,099,936 shares authorized; 14,006,929 issued and outstanding; liquidation preference of \$217,023, actual; no redeemable convertible preferred stock, pro forma and pro forma as adjusted	161,377		
Other stockholders' (deficit) equity:			
Common stock, \$0.0001 par value; 22,000,000 shares authorized; 5,934,236 shares issued and outstanding, actual; shares authorized, issued and outstanding, pro forma; shares authorized, issued and outstanding, pro forma as adjusted	—		
Preferred stock, \$0.0001 par value per share; no shares authorized, issued or outstanding, actual; shares authorized, no shares issued or outstanding, pro forma and pro forma as adjusted	—		—
Additional paid-in capital	2,524		
Accumulated deficit	(101,027)		
Total stockholders' (deficit) equity	(98,503)		
Total capitalization	\$ 192,929		\$

(1) Each \$1.00 increase or decrease in the assumed initial public offering price of \$ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, each of pro forma as adjusted cash and cash equivalents, additional paid-in capital, total stockholders' (deficit) equity, and total capitalization by approximately \$ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same. We may also increase or decrease the number of shares we are offering. Each increase or decrease of 1.0 million in the number of shares we are offering would increase or decrease, as applicable, each of pro forma as adjusted cash and cash equivalents, additional paid-in capital, total stockholders' (deficit) equity, and total capitalization by approximately \$ million, assuming the assumed initial public offering price per share, as set forth on the cover page of this prospectus, remains the same. The pro forma as adjusted information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing.

The number of shares of common stock issued and outstanding pro forma and pro forma as adjusted in the table above is based on 5,597,691 shares of common stock outstanding as of March 31, 2021, and reflects (i) 14,099,636 shares of our common stock issuable upon the conversion of all outstanding shares of our redeemable convertible preferred stock immediately prior to the completion of this offering; (ii) the issuance of shares of common stock upon the conversion of all outstanding principal and accrued interest on the Convertible Notes upon the completion of this offering, assuming an initial public offering price per share of \$ , the midpoint of the price range set forth on the cover of this prospectus, and assuming that the offering is completed on , 2021; and (iii) the consummation of the Totient Acquisition

(other than the potential payment of the additional \$15.0 million for achievement of certain milestones), and excludes:

- 1,625,055 shares of our common stock issuable upon the exercise of options outstanding as of March 31, 2021, with a weighted-average exercise price of \$3.63 per share;
- 514,786 shares of our common stock issuable upon the exercise of options granted after March 31, 2021, with a weighted-average exercise price of \$13.99 per share;
- 93,007 shares of our common stock issuable upon the exercise of warrants to purchase common stock outstanding as of March 31, 2021, with a weighted-average exercise price of \$1.00 per share;
- 545,639 shares of our common stock reserved for future issuance under our 2020 Plan as of March 31, 2021;
- shares of our common stock reserved for future issuance under our 2021 Plan, which will become available for issuance upon the effectiveness of the registration statement of which this prospectus is a part, as well as any future increases in the number of shares of our common stock reserved for issuance under the 2021 Plan; and
- shares of our common stock reserved for future issuance under our 2021 ESPP, which will become available for issuance upon the effectiveness of the registration statement of which this prospectus is a part, as well as any future increases in the number of shares of our common stock reserved for issuance under the 2021 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 (deficit) value per share of our common stock immediately after this offering.

Our historical net tangible book (deficit) value per share is determined by dividing our total tangible assets less our total liabilities and redeemable convertible preferred stock, which are not included within stockholders' deficit by the number of shares of common stock outstanding. Our historical net tangible book (deficit) value as of March 31, 2021 was **(\$101.8 million), or \$(18.19) per share.**

Our pro forma net tangible book (deficit) value as of March 31, 2021 was \$            million, or \$            per share. Our pro forma net tangible book (deficit) value per share represents the amount of our total tangible assets reduced by the amount of our total liabilities and divided by the total number of shares of our common stock outstanding as of March 31, 2021, assuming (i) the conversion of all outstanding shares of our redeemable convertible preferred stock as of March 31, 2021 into an aggregate of 14,006,929 shares of common stock immediately prior to the completion of this offering; (ii) the issuance of            shares of common stock upon the conversion of all outstanding principal and accrued interest on the Convertible Notes upon the completion of this offering, assuming an initial public offering price per share of \$            , the midpoint of the price range set forth on the cover of this prospectus, and assuming that the offering is completed on            , 2021; and (iii) the consummation of the Totient Acquisition (other than the potential payment of the additional \$15.0 million for achievement of certain milestones).

Our pro forma as adjusted net tangible book (deficit) value represents our pro forma net tangible book (deficit) value, plus the effect of the sale of shares of common stock in this offering at an assumed initial public offering price of \$            per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Net tangible book value dilution per share to new investors represents the difference between the amount per share paid by purchasers of shares of common stock in this offering and the pro forma as adjusted net tangible book value per share of common stock immediately after completion of this offering. After giving effect to our sale of shares of common stock in this offering at an assumed initial public offering price of \$            per share, the midpoint of the price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of March 31, 2021 would have been \$            million, or \$            per share. This represents an immediate increase in net tangible book value of \$            per share to existing stockholders and an immediate dilution in net

tangible book value of \$      per share to purchasers of common stock in this offering, as illustrated in the following table:

Assumed initial public offering price per share		\$
Historical net tangible book value (deficit) per share as of March 31, 2021	\$	(18.19)
Pro forma increase in net tangible book value (deficit) per share as of March 31, 2021	\$	—
Pro forma net tangible book value per share as of March 31, 2021	\$	—
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	\$	

If the underwriters' option to purchase additional shares from us is exercised in full, the pro forma as adjusted net tangible book value per share after this 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 to new investors purchasing shares in this offering would be \$      per share.

Each \$1.00 increase (decrease) in the assumed public offering price of \$      per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) our pro forma as adjusted net tangible book value by \$      million, or \$      per share, and dilution per share to investors in this offering by \$      per share, assuming that the number of shares offered by us, as set forth on the cover of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. An increase (decrease) of 1,000,000 in the number of shares we are offering would increase (decrease) our pro forma as adjusted net tangible book value by approximately \$      million, or approximately \$      per share and would increase or decrease, as applicable, dilution per share to investors in this offering by approximately \$      per share, assuming the assumed initial public offering price per share remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters' option to purchase additional shares from us is exercised in full, the pro forma as adjusted net tangible book value per share after this 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 to new investors purchasing shares in this offering would be \$      per share.

The following table shows, as of March 31, 2021, on a pro forma as adjusted basis (but before deducting underwriting discounts and commissions and estimated offering expenses payable by us), the differences between the existing stockholders and the purchasers of shares in this offering with respect to the number of shares purchased from us, the total consideration paid, which includes net proceeds received from the issuance of common and redeemable convertible preferred stock, cash

received from the exercise of stock options, and the value of any stock issued for services and the average price paid per share (in thousands, except per share amounts and percentages):

	Shares purchased		Total consideration		Average price per share
	Number	Percent	Amount	Percent	
Existing stockholders before this offering		%		%	\$
New investors participating in this offering					\$
<b>Totals</b>		<b>100 %</b>		<b>100 %</b>	

The foregoing tables and calculations (other than the historical net tangible book value calculations) are based on 5,597,691 shares of common stock outstanding as of March 31, 2021 and also reflects (i) the conversion of the outstanding shares of our redeemable convertible preferred stock as of March 31, 2021 into an aggregate of 14,006,929 shares of our common stock immediately prior to the completion of this offering; (ii) the issuance of \_\_\_\_\_ shares of common stock upon the conversion of all outstanding principal and accrued interest on the Convertible Notes upon the completion of this offering, assuming an initial public offering price per share of \$ \_\_\_\_\_, the midpoint of the price range set forth on the cover of this prospectus, and assuming that the offering is completed on \_\_\_\_\_, 2021; and (iii) the consummation of the Totient Acquisition (other than the potential payment of the additional \$15.0 million for achievement of certain milestones), and excludes:

- 1,625,055 shares of our common stock issuable upon the exercise of options outstanding as of March 31, 2021, with a weighted-average exercise price of \$3.63 per share;
- 514,786 shares of our common stock issuable upon the exercise of options granted after March 31, 2021, with a weighted-average exercise price of \$13.99 per share;
- 93,007 shares of our common stock issuable upon the exercise of warrants to purchase common stock outstanding as of March 31, 2021, with a weighted-average exercise price of \$1.00 per share;
- 545,639 shares of our common stock reserved for future issuance under our 2020 Plan as of March 31, 2021;
- \_\_\_\_\_ shares of our common stock reserved for future issuance under our 2021 Plan, which will become available for issuance upon the effectiveness of the registration statement of which this prospectus is a part, as well as any future increases in the number of shares of our common stock reserved for issuance under the 2021 Plan; and
- \_\_\_\_\_ shares of our common stock reserved for future issuance under our 2021 ESPP, which will become available for issuance upon the effectiveness of the registration statement of which this prospectus is a part, as well as any future increases in the number of shares of our common stock reserved for issuance under the 2021 ESPP.

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

## **Selected Consolidated Financial Data**

The following selected consolidated statements of operations and comprehensive loss data for the years ended December 31, 2019 and 2020 and the selected consolidated balance sheet data as of December 31, 2019 and 2020 have been derived from our audited consolidated financial statements appearing elsewhere in this prospectus, and the following selected consolidated statements of operations and comprehensive loss data for the three months ended March 31, 2021 and 2020 and the selected consolidated balance sheet data as of March 31, 2021 have been derived from our unaudited consolidated financial statements appearing elsewhere in this prospectus, in each case, except for the pro forma and pro forma adjusted data. We have prepared the unaudited interim financial statement data on the same basis as our audited financial statements and, in the opinion of management, these financial statements reflect all adjustments, consisting only of normal recurring adjustments, that are necessary for the fair presentation of our unaudited interim financial statements. You should read the following summary consolidated financial data together with the “Summary Consolidated Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of this prospectus and our consolidated financial statements and the related notes appearing elsewhere in this prospectus. Our historical

results are not necessarily indicative of the results that may be expected in any future periods, and our interim results are not necessarily indicative of results that may be expected for the full year.

	For the Years Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
(in thousands, except for share and per share data)				
<b>Consolidated Statements of Operations Data:</b>				
Revenues				
Technology development revenue	\$ 2,044	\$ 4,117	\$ 525	\$ 940
Collaboration revenue	16	663	47	123
Total revenues	2,060	4,780	572	1,063
Operating expenses				
Research and development	4,311	11,448	1,907	7,050
Selling, general and administrative	3,523	5,502	971	4,685
Depreciation and amortization	491	1,131	184	476
Total operating expenses	8,325	18,081	3,062	12,211
Operating loss	(6,265)	(13,301)	(2,490)	(11,148)
Other income (expense)				
Interest expense, net	(268)	(634)	(98)	(455)
Other expense	(51)	(418)	(70)	164
Total other expense, net	(319)	(1,052)	(168)	(291)
Loss before income taxes	(6,584)	(14,353)	(2,658)	(11,439)
Income tax benefit	—	—	—	477
Net loss and other comprehensive loss	(6,584)	(14,353)	(2,658)	(10,962)
Adjustment of redeemable convertible preferred units and stock	(17,286)	(34,336)	(11,154)	—
Cumulative undeclared preferred stock dividends	—	(780)	—	(995)
Net loss attributable to common stockholder and unitholders	\$ (23,870)	\$ (49,469)	\$ (13,812)	\$ (11,957)
Net loss per share attributable to common stockholder and unitholders: Basic and diluted	\$ (5.18)	\$ (10.55)	\$ (3.00)	\$ (2.33)
Weighted-average common shares and units outstanding: Basic and diluted	4,606,505	4,691,020	4,606,505	5,140,648
Pro forma net loss per share attributable to common stockholders and unitholders: Basic and Diluted <sup>(1)</sup>				
Pro forma weighted-average common shares and units outstanding: Basic and Diluted <sup>(1)</sup>				

	<u>March 31</u>		<u>December 31,</u>			
	<u>2021</u>		<u>2020</u>			
			<u>2019</u>			
	(in thousands)					
<b>Consolidated Balance Sheet Data:</b>						
Cash and cash equivalents	\$	180,756	\$	69,867	\$	13,086
Working capital <sup>(2)</sup>		167,953		63,139		10,181
Total assets		222,833		88,569		19,471
Total liabilities		159,959		21,564		7,867
Redeemable convertible preferred stock		161,377		156,433		52,763
Accumulated deficit		(101,027)		(90,065)		(41,376)
Total equity		(98,503)		(89,428)		(41,159)

(1) See the subsection titled "Management's Discussion and Analysis of Financial Condition and Results of Operations— Pro Forma Information" for an explanation of the calculations of our basic and diluted pro forma net loss per share, and the weighted-average number of shares outstanding used in the computation of the per share amounts.

(2) We define working capital deficit as current assets less current liabilities. See our financial statements appearing elsewhere in this prospectus.



## Unaudited Pro Forma Condensed Combined Financial Information

On June 4, 2021, we entered into a merger agreement with Totient, Inc. ("Totient"), under which, at the effective time, our wholly owned entity, or Merger Sub, merged with Totient, with Merger Sub surviving as our wholly owned subsidiary.

Pursuant to the merger agreement, at closing, Totient stockholders will receive \$55.0 million in cash, of which \$40.0 million in cash was paid at closing, subject to customary purchase price adjustments and escrow restrictions, and \$15.0 million in cash shall be paid upon the achievement of expected milestones, and 669,743 shares of our Common Stock, of which a portion vest immediately and the remainder are subject to a stock restriction agreement.

The following unaudited pro forma condensed combined financial information of Absci and Totient is presented to illustrate the estimated effects of the acquisition, which estimated effects are collectively referred to as adjustments or transaction accounting adjustments.

The unaudited pro forma condensed statements of operations and comprehensive loss for the year ended December 31, 2020, and the three months ended March 31, 2021 combine our historical consolidated statements of operation and other comprehensive loss with Totient's, after giving effect to the acquisition as if it had occurred on January 1, 2020. The unaudited pro forma condensed combined balance sheet as at March 31, 2021 combines our historical consolidated balance sheet with Totient's as of March 31, 2021, after giving effect to the acquisition as if it had occurred on March 31, 2021.

These unaudited pro forma condensed combined statements of operations and comprehensive loss and unaudited pro forma condensed combined balance sheet are collectively referred to in this section as the pro forma financial information.

The unaudited pro forma financial information should be read in conjunction with the accompanying notes in this section. In addition, the pro forma financial information is derived from and should be read in conjunction with the following historical consolidated financial statements and accompanying notes of Absci and Totient in this section:

- our audited consolidated financial statements as of and for the fiscal year ended December 31, 2020 and the related notes;
- our unaudited condensed consolidated financial statements as of and for the three months ended March 31, 2021 and the related notes;
- audited consolidated financial statements of Totient as of and for the fiscal year ended December 31, 2020 and the related notes; and
- unaudited condensed consolidated financial statements of Totient as of and for the three months ended March 31, 2021 and the related notes.

The pro forma financial information has been prepared by us in accordance with Regulation S-X Article 11, *Pro Forma Financial Information*, as amended by the final rule, Release No. 33-10786, which is referred to herein as Article 11. The pro forma financial information is based on various adjustments and assumptions and is not necessarily indicative of what our consolidated statements of operations and comprehensive loss or consolidated balance sheet actually would have been had the merger been completed as of the dates indicated or will be for any future periods. The pro forma financial information does not purport to project our future financial position or operating results following the completion of the merger. The pro forma financial information does not include adjustments to reflect any potential revenue, synergies or dis-synergies, or cost savings that

may be achievable in connection with the merger, or the associated costs that may be necessary to achieve such revenues, synergies or cost savings.

We and Totient prepared the respective financial statements in accordance with U.S. generally accepted accounting principles, or U.S. GAAP. The acquisition will be accounted for using the acquisition method of accounting.

The pro forma adjustments are preliminary, based upon available information as of the date of this prospectus, and prepared solely for the purpose of this pro forma financial information. These adjustments are based on preliminary estimates and will be different from the adjustments that may be determined based on final acquisition accounting, and these differences could be material. The pro forma adjustments are based on preliminary estimates of the consideration to be paid in the merger, and of the fair values of assets acquired and liabilities assumed. The estimated fair values assigned in this unaudited pro forma financial information are preliminary and represent our current best estimate of fair value and are subject to revision.

# Unaudited Pro Forma Condensed Combined Balance Sheet as of March 31, 2021

(In thousands)	Historical Absci	Historical Totient (Note 6)	Transaction Accounting Adjustment	Notes	Combined
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 180,756	\$ 1,650	\$ (50,313)	[6A] [6B]	\$ 132,093
Receivables under development arrangements	1,040	—	—		1,040
Prepaid expenses and other current assets	3,548	54	60	[6B]	3,662
Total current assets	185,344	1,704	(50,253)		136,795
Operating lease right-of-use assets	7,610	392	(41)	[6B]	7,961
Property and equipment - net	21,623	139	(12)	[6B]	21,750
Intangibles	2,410	—	50,500	[6B]	52,910
Goodwill	1,055	—	19,111	[6B]	20,166
Restricted cash	4,367	—	23,000	[6A]	27,367
Other assets	424	—	47	[6B]	471
<b>TOTAL ASSETS</b>	<b>\$ 222,833</b>	<b>\$ 2,235</b>	<b>\$ 42,352</b>		<b>\$ 267,420</b>
<b>LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND UNITS AND OTHER STOCKHOLDERS' AND MEMBERS' DEFICIT</b>					
Current liabilities:					
Accounts payable	\$ 8,449	\$ 170	\$ (147)	[6B]	\$ 8,472
Accrued expenses	2,432	211	7,089	[6B]	9,732
Current portion of long-term debt	917	34,767	(34,767)	[6D]	917
Current portion of operating lease obligations	1,121	222	(17)	[6B]	1,326
Current portion of financing lease obligations	2,069	—	—		2,069
Deferred revenue	2,403	—	—		2,403
Other current liabilities	—	—	8,000	[6C]	8,000
Total current liabilities	17,391	35,370	(19,842)		32,919
Convertible promissory notes	125,000	—	—		125,000
Long-term debt - net of current portion	4,138	425	(425)	[6B]	4,138
Operating lease obligations - net of current portion	9,192	196	(51)	[6B]	9,337
Finance lease obligations - net of current portion	2,537	—	—		2,537
Contingent Consideration	—	—	10,600	[6C]	10,600
Deferred income tax liability	156	—	12,751	[6B]	12,907
Other long-term liabilities	1,545	1,843	(1,779)	[6B]	1,609
<b>TOTAL LIABILITIES</b>	<b>\$ 159,959</b>	<b>\$ 37,834</b>	<b>\$ 1,254</b>		<b>\$ 199,047</b>
Commitments (See Note 6)					
Redeemable convertible preferred stock	161,377	—	—		161,377
<b>OTHER STOCKHOLDERS' AND MEMBERS' DEFICIT</b>					
Common stock	—	—	—		—
Additional paid-in capital	2,524	4,257	2,112	[6F]	8,893
Accumulated deficit	(101,027)	(39,856)	38,986	[6E] [6F]	(101,897)
<b>TOTAL OTHER STOCKHOLDERS' AND MEMBERS' DEFICIT</b>	<b>(98,503)</b>	<b>(35,599)</b>	<b>41,098</b>		<b>(93,004)</b>
<b>TOTAL LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND UNITS AND OTHER STOCKHOLDERS' AND MEMBERS' DEFICIT</b>	<b>\$ 222,833</b>	<b>\$ 2,235</b>	<b>\$ 42,352</b>		<b>\$ 267,420</b>

## Unaudited Pro Forma Condensed Combined Statements of Operations and Comprehensive Loss for the Year Ended December 31, 2020

(In thousands, except for share and per share data)	Historical Absci	Historical Totient (Note 6)	Transaction Accounting Adjustment	Notes	Combined
Revenues					
Technology development revenue	\$ 4,117	\$ —	\$ —		\$ 4,117
Collaboration revenue	663	—	—		663
Total revenues	4,780	—	—		4,780
Operating expenses					
Research and development	11,448	2,430	621	[7A]	14,499
Selling, general and administrative	5,502	1,248	3,667	[7A] [7B] [7C]	10,417
Depreciation and amortization	1,131	22	2,681	[7D] [7E]	3,834
Total operating expenses	18,081	3,700	6,969		28,750
Operating loss	(13,301)	(3,700)	(6,969)		(23,970)
Other income (expense)					
Interest expense	(634)	(12)			(646)
Other income (expense), net	(418)	(1,299)	1,369	[7F]	(348)
Total other expense, net	(1,052)	(1,311)	1,369		(994)
Net loss and other comprehensive loss	(14,353)	(5,011)	(5,600)		(24,964)
Adjustment of redeemable preferred units and stock	(34,336)	—	—		(34,336)
Cumulative undeclared preferred stock dividends	(780)	—	—		(780)
Net loss applicable to common stockholders and unitholders	\$ (49,469)	\$ (5,011)	\$ (5,600)		\$ (60,080)
Net loss per share, basic and diluted (Note 10)	\$ (10.55)				\$ (11.68)

## Unaudited Pro Forma Condensed Combined Statements of Operations and Comprehensive Loss for the Three Months Ended March 31, 2021

(In thousands, except for share and per share data)	Historical Absci	Historical Totient (Note 6)	Transaction Accounting Adjustment	Notes	Combined
Revenues					
Technology development revenue	\$ 940	\$ —	\$ —		\$ 940
Collaboration revenue	123	—	—		123
Total revenues	1,063	—	—		1,063
Operating expenses					
Research and development	7,050	2,190	—		9,240
Selling, general and administrative	4,685	549	461	[8A]	5,695
Depreciation and amortization	476	7	670	[8B] [8C]	1,153
Total operating expenses	12,211	2,746	1,131		16,088
Operating loss	(11,148)	(2,746)	(1,131)		(15,025)
Other income (expense)					
Interest expense	(455)	(3)			(458)
Other income (expense), net	164	(19,717)	19,892	[8D]	339
Total other expense, net	(291)	(19,720)	19,892		(119)
Loss before income taxes	(11,439)	(22,466)	18,761		(15,144)
Income tax benefit	477	—	—		477
Net loss and other comprehensive loss	(10,962)	(22,466)	18,761		(14,667)
Adjustment of redeemable preferred units and stock	—	—	—		—
Cumulative undeclared preferred stock dividends	(995)	—	—		(995)
Net loss applicable to common stockholders and unitholders	\$ (11,957)	\$ (22,466)	\$ 18,761		\$ (15,662)
Net loss per share, basic and diluted (Note 10)	\$ (2.33)				\$ (2.73)

# Notes to Unaudited Pro Forma Condensed Combined Financial Statements

## **Note 1—Description of the Transaction**

On June 4, 2021, the Company entered into a merger agreement with Totient, Inc. (“Totient”), under which, at the effective time, a wholly owned entity, or Merger Sub, merged with Totient, with Merger Sub surviving as a wholly owned subsidiary of Absci.

Pursuant to the merger agreement, at closing, Totient shareholders will receive \$55.0 million in cash, of which \$40.0 million in cash was paid at closing, subject to customary purchase price adjustments and escrow restrictions, and \$15.0 million in cash shall be paid upon the achievement of expected milestones, and 669,743 shares of Absci Common Stock. All common stock issued is unrestricted, except for those shares granted to certain members of management, of which 25% of the shares issued will vest upon the closing of the Transaction and the remaining 75% will vest over 2.5 years in installments each six months subject to their continuing service relationships with the Company.

## **Note 2—Basis of Presentation**

The pro forma financial information was prepared accounting for the acquisition using the acquisition method of accounting in accordance with Accounting Standards Codification (“ASC”) Topic 805, “Business Combinations,” which is referred to as ASC 805, and is derived from the Company’s and Totient’s audited and unaudited historical financial statements.

The pro forma financial information has been prepared in accordance with Article 11. The pro forma financial information is not necessarily indicative of what the Company’s consolidated statements of operations or consolidated balance sheet would have been had the acquisition been completed as of the dates indicated or will be for any future periods. The pro forma financial information does not purport to project our future financial position or results of operations following the completion of the acquisition. The pro forma financial information reflects pro forma adjustments management believes are necessary to present fairly our pro forma results of operations and financial position following the closing of the acquisition as of and for the periods indicated. The pro forma adjustments are based on currently available information and assumptions management believes are, under the circumstances and given the information available at this time, reasonable, and reflective of adjustments necessary to report our financial condition and results of operations as if the acquisition was completed.

The acquisition method of accounting uses the fair value concepts defined in ASC 820, “Fair Value Measurements and Disclosures,” which is referred to as ASC 820. Fair value is defined in ASC 820 as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.” Fair value measurements can be highly subjective and can involve a high degree of estimation.

The determination of the fair value of the identifiable assets and liabilities of Totient and the allocation of the estimated consideration to these identifiable assets and liabilities is preliminary and is pending finalization of various estimates, inputs and analyses.

Since this pro forma financial information has been prepared based on preliminary estimates of consideration and fair values attributable to the acquisition, the actual amounts eventually recorded for the purchase accounting, including the identifiable intangibles and goodwill, may differ materially from the information presented.

At this preliminary stage, the estimated identifiable finite-life intangible assets include the monoclonal antibody library and the developed software platform, including the related methods

patent. Goodwill represents the excess of the estimated purchase price over the estimated fair value of Totient's identifiable assets acquired and liabilities assumed, including the fair value of the estimated identifiable finite assets and liabilities described above. Goodwill will not be amortized but will be subject to periodic impairment testing. The goodwill balance shown in the pro forma financial information is preliminary and subject to change as a result of the same factors affecting both the estimated consideration and the estimated fair value of identifiable assets and liabilities acquired. The goodwill balance represents the combined company's expectations of the strategic opportunities available to it as a result of the acquisition, as well as other synergies that will be derived from the acquisition. Goodwill also reflects the requirement to record deferred tax balances for the difference between the assigned values and the tax bases of assets acquired and liabilities assumed in the business combination. Goodwill is not deductible for tax purposes.

Upon consummation of the acquisition and the completion of a formal valuation study, the fair value of the acquired assets and liabilities assumed will be updated, including the estimated fair value and useful lives of the identifiable intangible assets and allocation of the excess purchase price, if any, to goodwill. The calculation of goodwill and other identifiable intangible assets could be materially impacted by changing fair value measurements caused by the volatility in the current market environment. Under ASC 805, transaction costs related to the acquisition are expensed in the period they are incurred. Total transaction related costs incurred by us and Totient in connection with the acquisition subsequent to March 31, 2021 are estimated to be \$0.9 million. The total amount is reflected as a transaction adjustment in the unaudited condensed combined statement of operations for the year ended December 31, 2020. These costs are non-recurring.

The pro forma financial information does not reflect the following items:

- the impact of any potential revenues, benefits or synergies that may be achievable in connection with the merger or related costs that may be required to achieve such revenues, benefits or synergies; and
- changes in cost structure or any restructuring activities as such changes, if any, have yet to be determined.

**Note 3—Conforming Accounting Policies and reclassifications**

At the current time, the Company is not aware of any material differences in accounting policies that would have a material impact on the pro forma financial information.

Accounting policies that were assessed but deemed to have an immaterial impact to the pro forma financial information include:

- ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which is referred to as ASC 326. Totient's historical financial statements used to derive the pro forma financial information do not reflect the adoption of ASC 326. For the purposes of the pro forma financial information, the Company has not adjusted Totient's adoption of ASC 326 to January 1, 2020 as the estimated impact on the pro forma financial information would be immaterial.

Certain historical balances on the pro forma balance sheet and pro forma statements of operations and comprehensive loss for the periods presented have been reclassified to conform to Absci's presentation. The Company will continue to review Totient's accounting policies during its integration to determine if there are any additional material differences that require reclassification of Totient's expenses, assets or liabilities to conform to our accounting policies and classifications. As a result of that review, the Company may identify further differences between the accounting policies of the two companies that, when conformed, could have a material impact on the pro forma financial information.

#### Note 4— Preliminary Estimated Purchase Price

The estimated preliminary purchase price is calculated as follows:

Estimated purchase price consideration (in thousands)	Estimated Fair Value
Estimated cash payment to Totient stockholders	\$ 35,368 (i)
Estimated stock payment to Totient stockholders	6,369 (ii)
Estimated cash payment contingent on achieving specified milestone	10,600 (iii)
Total	\$ 52,337

(i) Pursuant to the merger agreement, the initial purchase price includes \$40 million of cash adjusted for the agreed upon working capital value which includes the payment of Totient's transaction and other expenses as well as payments to Totient stock option holders for the cancellation and extinguishment of Totient stock options.

(ii) Pursuant to the merger agreement, 669,740 common shares issued in payment to Totient stockholders with 388,349 vesting immediately and therefore included in the purchase price consideration. The remaining 281,391 shares will vest ratably, every six months over five equal installments of a 2 1/2-year service period and will be expensed over the service period. These shares are subject to a stock restriction agreement that requires certain key Totient executives to maintain a continued service relationship throughout the service period.

(iii) Represents the estimated fair value of the contingent consideration that is payable upon the achievement of the milestone of Absci entering into one or more definitive commercialization agreements, or technology partnering or licensing agreements, or collaboration agreements, with third parties using, or related to, Totient's technology, a target discovered or identified by using Totient's technology, or a peptide, protein complex or amino acid sequence assembled using Totient's technology, including any Totient product or enabled product, pursuant to which (a) Absci is entitled to receive at least \$2 million in aggregate upfront cash or equity payments (provided, that the minimum upfront payment under any individual agreement shall be \$1 million) and (b) an option for a license or a license or similar right is granted to the third party; or (ii) First Commercial Sale of a Totient product or enabled product. These values are based on the most recent estimate of the fair value available and will be updated as we obtain more information.

#### Note 5—Preliminary Fair Value Estimate of Purchase Price Allocation to Assets Acquired and Liabilities

The table below outlines the initial allocation of the preliminary estimated consideration to the identifiable assets and liabilities acquired by us as of June 4, 2021.

Estimated purchase price consideration (in thousands)	\$ 52,337
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(In thousands, except for share and units, and per share and per units data)	Preliminary Purchase Price Adjustment
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,757
Prepaid expenses and other current assets.	113
Total current assets	1,870
Right of Use Asset	351
Property and equipment, net	127
Goodwill	19,111 (i)
Intangible assets	50,500 (ii)
Other Assets	47
<b>TOTAL ASSETS</b>	<b>\$ 72,006</b>
Current liabilities:	
Accounts payable	23
Short Term Lease Liability	206



Accrued expenses	6,480
Total current liabilities	6,709
Operating lease obligations	145
Deferred income tax liability	12,751
Other long-term liabilities	64
TOTAL LIABILITIES	\$ 19,669
Fair value of net identifiable assets acquired and liabilities assumed	\$ 52,337

(i) Goodwill represents the excess of the estimated purchase price over the estimated fair value of Totient's identifiable assets acquired and liabilities assumed. Goodwill also reflects the requirement to record deferred tax balances for the difference between the assigned values and the tax bases of assets acquired and liabilities assumed in the business combination. Goodwill is not deductible for tax purposes.

(ii) The estimated fair value of and useful lives of the intangible assets acquired is as follows:

	Estimated fair value (in thousands) <sup>(a)</sup>	Estimated useful lives (in years) <sup>(b)</sup>
Monoclonal antibody library	\$ 43,300	20
Developed software platform and the related methods patents	7,200	15
Total	\$ 50,500	

(a) The estimated fair values were categorized within Level 3 of the fair value hierarchy and were determined using an income-based approach, which was based on the present value of the future estimated after-tax cash flows attributable to each intangible asset. The significant assumptions inherent in the development of the values, from the perspective of a market participant, include the amount and timing of projected future cash flows (including revenue, regulatory success and profitability), and the discount rate selected to measure the risks inherent in the future cash flows, which was between 20%-24%. These fair values are based on the most recent estimate of the fair value available and will be updated as we obtain more information.

(b) The estimate of the useful life was based on an analysis of the expected use of the asset by us, any legal, regulatory or contractual provisions that may limit the useful life, the effects of obsolescence, competition and other relevant economic factors, and consideration of the expected cash flows used to measure the fair value of the intangible asset.

The Company has not yet fully completed the analysis to assign fair values to all assets acquired and liabilities assumed, and therefore the purchase price allocation is preliminary. The remaining items include the finalization of working capital adjustments, income taxes, valuation of identifiable intangible assets and contingent consideration liability, and the resulting impact to goodwill. The preliminary purchase price allocation will be subject to further refinement as the Company continues to refine its estimates and assumptions based on information available at the acquisition date. These refinements may result in material changes to the estimated fair value of assets acquired and liabilities assumed. The purchase price allocation adjustments can be made throughout the end of the Company's measurement period, which is not to exceed one year from the acquisition date.

#### **Note 6—Adjustments to the Unaudited Pro Forma Condensed Combined Balance Sheet**

[6A] To reflect the estimated cash payment to Totient stockholders of \$50.4 million as described in Note 4, of which \$23.0 million is held in escrow as restricted cash.

[6B] To reflect the recognition of goodwill and other purchase price adjustments as part of the purchase price allocation as described in Note 5.

[6C] To reflect the recognition of the liabilities related to the \$8.0 million for the deferred cash payment as part of the consideration held in escrow, due in one year, and the fair value of the contingent consideration due based on the achievement of certain milestones, as described in Note 4 above.

[6D] To reflect Totient's convertible notes that were converted to Totient common stock prior to the acquisition and subsequently exchanged for cash and Absci common stock as part of the acquisition.

[6E] To reflect the transaction costs estimated to be incurred subsequent to March 31, 2021 to complete the acquisition of Totient of \$0.9 million.

[6F] To eliminate Totient's historical stockholders' equity.

**Note 7—Adjustments to the Unaudited Pro Forma Condensed Combined Statement of Income (Loss) for the Year Ended December 31, 2020**

[7A] To reflect the acceleration of SAR and Employee Stock Ownership Plan awards due to preexisting change in control provisions of \$0.6 million in Research and development expense and \$1.0 million in Selling, general and administrative expense.

[7B] To reflect the transaction costs estimated to be incurred to complete the acquisition of Totient of \$0.9 million.

[7C] To reflect the vesting of incremental AbSci common shares issued to Totient shareholders

[7D] To reflect the incremental straight-line depreciation related to the increase in fair value of the property, plant and equipment consistent with AbSci's accounting policy.

[7E] To reflect the incremental straight-line amortization related to the acquisition of the monoclonal antibody library and developed software platform and the related methods patents over a period of 20 years and 15 years, respectively, as outlined in Note 5 above.

[7F] To reverse the mark-to-market adjustment of the convertible notes issued by Totient as at December 31, 2020.

**Note 8—Adjustments to the Unaudited Pro Forma Condensed Combined Statement of Income (Loss) for the Three Months Ended March 31, 2021**

[8A] To reflect the vesting of incremental Absci common shares issued to Totient shareholders

[8B] To reflect the incremental straight-line depreciation related to the increase in fair value of the property, plant and equipment consistent with Absci's accounting policy.

[8C] To reflect the incremental straight-line amortization related to the acquisition of the monoclonal antibody library and developed software platform and the related methods patents over a period of 20 years and 15 years, respectively, as outlined in Note 5 above.

[8D] To reverse the mark-to-market adjustment of the convertible notes issued by Totient as at March 31, 2021.

**Note 9 — Loss Per Share**

The pro forma combined basic and diluted loss per share presented below for the year ended December 31, 2020 and the three months ended March 31, 2021, is determined by using the weighted average number of common shares and dilutive common share equivalents outstanding during the period. We have excluded the effect to earnings per share related to the Absci Convertible Notes and other potentially dilutive instruments because including them would have been anti-dilutive.

(in thousands, except for per share amounts)	Year Ended December 31, 2020	Three Months Ended March 31, 2021
Pro forma net loss	\$ (60,080)	\$ (15,662)
Pro forma basic and diluted weighted-average shares outstanding	5,145,233	5,727,666

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Pro forma basic and diluted loss per share	\$	(11.68)	\$	(2.73)
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# 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 together with the section entitled "Selected Financial Data" and our consolidated financial statements and related notes included elsewhere in this prospectus. This discussion and other parts of this prospectus contain forward-looking statements that involve risks and uncertainties, such as our plans, objectives, expectations, intentions and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in the section entitled "Risk Factors" included elsewhere in this prospectus.*

## Overview

With our AI-powered Integrated Drug Creation Platform we enable the creation of novel protein-based drugs (biologics) by unifying biologic drug discovery and cell line development into one simultaneous process. We leverage proprietary synthetic biology technologies and deep learning AI to predict, identify, design, construct, screen, select and scale production of novel biologic drug candidates. We believe our approach delivers disruptive efficiency, but more importantly enables our partners to create novel and human/AI-designed new-to-nature biologics (next-generation biologics).

While next-generation biologics have exciting medical potential and are a rapidly growing field of drug development, because their protein architectures (scaffolds or modalities) are biologically foreign, they present challenges for conventional biologic discovery and cell line development methods. These methods typically involve a linear series of steps to screen and select desired molecular parts and reformat them into their final protein scaffold, and subsequent laborious and often unsuccessful generation of a suitable manufacturing cell line. We are transforming the biologic discovery and cell line development process by rapidly screening up to billions of drug candidates *in* the desired final protein scaffold that goes into patients and *in* the scalable manufacturing cell line that scales up for clinical and commercial manufacturing.

We believe our platform integrates a fragmented set of processes and bypasses the molecular reformatting and cell line development challenges that can lead to inefficiencies and failures. To accomplish this, we use proprietary high-throughput single cell assays that can evaluate billions of drug sequence variants, each within its production cell line, for target binding affinity, protein quality, and production level (titer). We also harness the large datasets we generate to train and refine our deep learning models which guide our protein and cell line designs, and enable *in silico* optimization of multiple attributes.

We believe our platform is the only commercially available solution that allows for high-throughput screening for simultaneous biologic drug discovery and cell line development for next-generation biologics. With our recent acquisition of Totient, we are expanding our platform to include identification of disease- and tissue-specific targets and fully human antibodies as enhancements to our Discovery applications. We believe our unique approach to biologic drug creation has the potential to significantly accelerate preclinical development timelines and expand therapeutic possibilities for the biopharmaceutical industry.

Our goal is to become the partner of choice for biologic drug discovery and cell line development. As a technology development company, we generate biologic drug candidates and production cell lines for our partners to develop; we do not conduct or sponsor preclinical validation studies or clinical trials, or seek regulatory approvals for drug candidates. Our business model is to establish partnerships with biopharmaceutical companies and use our platform for rapid creation of next-generation biologic drug candidates and production cell lines. Our partners are responsible for all

preclinical and clinical testing of biologics generated using our platform, and our goal is to become the partner of choice for biologic drug discovery and cell line development.

We expect our partnerships to provide us with the opportunity to participate in the future success of the biologics generated utilizing our platform, through milestone payments as well as royalties on sales by our partners of any approved products. We aim to assemble economic interests in a diversified portfolio of partners' next-generation biologic drug candidates across multiple indications.

We currently have drug candidates in nine Active Programs (across seven current partners' preclinical or clinical pipelines) for which we have negotiated, or expect to negotiate upon completion of certain technology development activities, license agreements with potential downstream milestone payments and royalties. Eight of the Active Programs are focused on developing production cell lines for drug candidates that our partners (including Merck, Astellas, Alpha Cancer Technologies, and other undisclosed biotechnology companies) are developing (five preclinical, one Phase 1, one Phase 3, and one animal health), reflecting the 2018 commercial launch of our Cell Line Development (CLD) applications. We have one Discovery program under way, focused on lead optimization with Astellas, which we signed shortly after our December 2020 expansion of our platform to include our initial Discovery applications. We define Active Programs as programs that are subject to ongoing technology development activities intended to determine if the program can be pursued by our partner for future clinical development, as well as any program for which our partner obtains and maintains a license to our technology to advance the program after completion of the technology development phase. There is no assurance, however, that our partners will advance any drug candidates that are currently the subject of Active Programs into further preclinical or clinical development or that our partners will elect to license our technologies upon completion of the technology development phase in a timely manner, or at all.

We are still in the very early stages of implementing our business model and, to date, no partner has entered into a license for clinical or commercial use of any intellectual property rights related to biologic drug candidates or cell lines generated utilizing our platform. Moreover, we have only agreed upon clinical or commercial license terms for two of our Active Programs in the event an option is exercised by a partner to license such intellectual property rights. With initial success, we aim to increase the number of molecules with each partner, as well as expand the application of our platform across each partner's discovery and cell line development activities.

Total revenue increased 132% to \$4.8 million for the year ended December 31, 2020, as compared to \$2.1 million for 2019, due to the increased scale and volume of new and ongoing programs utilizing our Integrated Drug Creation Platform. Total revenue increased 86% to \$1.1 million for the three months ended March 31, 2021, as compared to \$0.6 million for the three months ended March 31, 2020. Throughout 2020, we continued making investments in our operating capacity which enabled us to achieve additional project-based milestones in our technology development agreements. Since our inception in 2011, we have devoted substantially all of our resources to research and development activities, including with respect to our Integrated Drug Creation Platform, establishing and maintaining our intellectual property portfolio, hiring personnel, raising capital and providing general and administrative support for these activities. As a result, we have incurred net losses in each year. Our net losses were \$6.6 million and \$14.4 million for the years ended December 31, 2019 and 2020, respectively. For the three months ended March 31, 2021, our net losses were \$11.0 million. Research and development expenses increased to \$11.4 million for the year ended December 31, 2020, as compared to \$4.3 million for 2019. As of March 31, 2021, we had an accumulated deficit of \$101.0 million and cash and cash equivalents totaling \$180.8 million. Research and development expenses increased to \$7.1 million for the three months ended March 31, 2021, as compared to \$1.9 million for the three months ended March 31, 2020.

To date, we have financed our operations through private placements of redeemable convertible preferred stock and convertible notes. From the date of our company formation through March 31, 2021, we have raised aggregate gross proceeds of \$230.0 million.

We expect to continue to incur significant expenses, and we expect such expenses to increase substantially in connection with our ongoing activities, including as we:

- implement an effective business development strategy to drive adoption of our Integrated Drug Creation Platform by new and existing partners;
- continue to engage in research and development efforts and scale our technology development activities to meet potential demand at a reasonable cost;
- develop, acquire, in-license or otherwise obtain technologies that enable us to expand our platform capabilities;
- attract, retain and motivate highly qualified personnel;
- implement operational, financial and management information systems; and
- operate as a public company.

We currently lease a 14,549 square foot office and laboratory space and due to our continued growth, in December 2020, we entered into an operating lease, which was subsequently amended in March 2021, for a 77,974 square foot corporate headquarters facility that will include office and laboratory space. We are currently in the process of relocating our operations to the new facility and expect to complete our relocation by the end of 2021.

### **Recent Developments**

In October 2020, we completed an equity financing, raising an aggregate of \$65.0 million in gross proceeds through the sale and issuance of Series E redeemable convertible preferred stock.

In January 2021, we completed the Denovium acquisition as part of our strategy to utilize AI technology that includes deep learning computational models of protein function. We are currently integrating the acquired technology and team into our business model and partnership strategy.

In February 2021, Merck Global Health Innovation Fund purchased 254,886 shares of our Series E Preferred Stock for an aggregate price of \$5.0 million.

In March 2021, we issued \$125.0 million aggregate principal amount of Convertible Notes to certain existing and new investors. The Convertible Notes are convertible upon a qualifying financing into shares of our common stock under certain circumstances. The Convertible Notes will convert into an aggregate of \_\_\_\_\_ million shares upon the closing of this offering, assuming an initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the price range set forth on the cover of this prospectus, and that the offering is completed on \_\_\_\_\_, 2021.

In June 2021, we completed our acquisition of Totient, Inc., or Totient, a discovery company harnessing human immune responses to identify novel antibodies and their therapeutic targets, in exchange for a combination of cash and equity consideration. We paid the former stockholders and noteholders of Totient upfront cash consideration of \$40.0 million, subject to customary purchase price adjustments, including consideration in exchange for the cancellation of (i) unexercised outstanding options to purchase shares of Totient common stock, whether vested or unvested, and (ii) outstanding stock appreciation rights previously granted by Totient. Holders of Totient's Class A common stock also received an aggregate of 669,743 shares of our common stock, subject to certain vesting conditions. In addition, Totient's Class A common stockholders and noteholders are eligible to receive up to an additional \$15.0 million in cash upon the achievement of certain milestones. We

are currently integrating the acquired technology and team into our business model and partnership strategy.

### **COVID-19 Pandemic**

As a result of the COVID-19 pandemic, we have experienced and may continue to experience severe delays and disruptions, including, for example:

- interruption of or delays in receiving products and supplies from third parties;
- limitations on our business operations by local, state and/or federal governments that could impact our ability to conduct our technology development and other activities;
- delays in negotiations with partners and potential partners;
- increases in facilities costs to comply with physical distancing guidance;
- business disruptions caused by workplace, laboratory and office closures and an increased reliance on employees working from home, travel limitations, cyber security and data accessibility, or communication or mass transit disruptions; and
- limitations on employee resources that would otherwise be focused on the conduct of our activities, including because of sickness of employees or their families or the desire of employees to avoid contact with large groups of people.

While these delays continue to cause short-term disruptions, the overall impact to our financial statements is expected to continue to be immaterial.

The ongoing build-out of our expansion facilities may also be delayed by COVID-related restrictions. Furthermore, COVID-19 has adversely affected the broader economy and financial markets, resulting in an economic downturn that could curtail the research and development budgets of our partners, our ability to hire additional personnel and our financing prospects. Any of the foregoing could harm our operations and we cannot anticipate all the ways in which our business could be adversely impacted by health epidemics such as COVID-19.

For additional details, see the section titled “Risk Factors.”

### **LLC Conversion**

We were originally formed in August 2011 as an Oregon limited liability company and later converted into a Delaware limited liability company in April 2016 under the name AbSci LLC. In October 2020, we completed a reorganization whereby we were converted from a Delaware limited liability company named AbSci LLC to a Delaware corporation named under the name Absci Corporation (the LLC Conversion) and all outstanding membership interests in AbSci LLC were exchanged for equity interests in Absci Corporation. All of the share information referenced throughout this prospectus has been retroactively adjusted to reflect the change in capital structure.

### **Key Factors Affecting Our Results of Operations and Future Performance**

We believe that our future financial performance will be primarily driven by multiple factors as described below, each of which presents growth opportunities for our business. These factors also pose important challenges that we must successfully address in order to sustain our growth and improve our results of operations. Our ability to successfully address these challenges is subject to various risks and uncertainties, including those described in the section of this prospectus titled “Risk Factors.”

- **Establish new partnerships:** Our potential to grow revenue and long-term earnings will require us to successfully identify and establish technology development arrangements with

new partners. We have been expanding and expect to continue to expand our business development team and our capabilities to find new partners and we believe that we have a significant opportunity to continue to increase the number of partners and programs we address with our Integrated Drug Creation Platform.

- **Increase the number of molecules and programs under existing partnerships:** The execution of our long term strategy relies substantially on the value our partners believe can be recognized from the product candidates and/or production cell lines that we provide to them. Our continued growth depends on our ability to expand the scope of our existing partnerships and add new molecules for Cell Line Development or Discovery partnerships with current partners.
- **Successfully complete our technology development activities and enter licensing arrangements with our partners:** Our business model depends upon partners licensing the technologies we develop and advancing the drug candidates we generate through clinical development to commercialization. Both our ability to successfully complete technology development activities to meet the needs of our partner, and the partner's prioritization of the subject program, impact the likelihood and timing of any election by a partner to license the technologies we develop. There is no assurance that a partner will elect to license the technologies we develop.
- **Our partners successfully developing and commercializing the drug candidates generated with our technology:** Our business model is dependent on the eventual progression of biologic drug candidates discovered or initially developed utilizing our Integrated Drug Creation Platform into clinical trials and commercialization. Given the nature of our relationships with our partners, we do not control the progression, clinical development, regulatory strategy or eventual commercialization, if approved, of these product candidates. As a result, our future success and the potential to receive milestones and royalties are entirely dependent on our partners' efforts over which we have no control. The timing and scope of any approval that may be required by the U.S. Food and Drug Administration (FDA), or any other regulatory body, for drugs that are developed based on molecules discovered and/or manufactured using our Integrated Drug Creation Platform technologies can significantly impact our results of operations and future performance.
- **Continued significant investments in our research and development of new technologies and platform expansion:** We are seeking to further refine and expand our platform and the scope of our capabilities, which may or may not be successful. This includes, but is not limited to, novel target identification, *de novo* discovery, incorporation of non-standard amino acids (Bionic Protein creation), and application of artificial intelligence across our Integrated Drug Creation Platform. We may in the future also invest significantly in developing our own proprietary lead drug candidates and advancing them through preclinical validation. We expect to incur significant expenses to advance these research and development efforts or to invest in or acquire complementary technologies, but these efforts may not be successful.
- **Drive commercial adoption of our Integrated Drug Creation Platform capabilities:** Driving the adoption of our Integrated Drug Creation Platform across existing and new markets will require significant investment. We plan to further invest in research and development to support the expansion of our platform capabilities including new molecules to existing partners or help deliver our platform to new markets.

### **Key Business Metrics**

We are in the process of identifying key business metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and make strategic decisions. Currently, given our stage of development, we believe that the following



metrics are the most important for understanding our current business trajectory. These metrics may change or may be substituted for additional or different metrics as our business develops. For example, as our business matures and to the extent drug candidates generated with our technologies enter clinical development, or as we may enter partnerships addressing programs over multiple years, or as certain programs may be discontinued by partners, we anticipate updating these metrics to reflect such changes.

	Year Ended December 31,		Three Months
	2019	2020	Ended March 31, 2021
Partners, Cumulative	12	16	17
Programs, Cumulative	23	29	31
Active Programs <sup>(1)</sup>	4	8	10

(1) Subsequent to March 31, 2021, we were notified by a partner that one of our then Active Programs was discontinued for strategic reasons, and accordingly, we have reduced our current Active Programs count to nine.

*Partners* represents the unique number of partners with whom we have executed technology development agreements. We view this metric as an indication of our ability to execute our business development activities and level of our market penetration.

*Programs* represents the number of molecules we have addressed or are addressing with our platform. We view this metric as an indication of the robustness of our technology and the commercial success of our platform.

*Active Programs* represents the number of programs that are subject to ongoing technology development activities intended to determine if the program can be pursued by our partner for future clinical development, as well as any program for which our partner obtains and maintains a license to our technology to advance the program after completion of the technology development phase. There is no assurance, however, that our partners will advance any drug candidates that are currently the subject of Active Programs into further preclinical or clinical development or that our partners will elect to license our technologies upon completion of the technology development phase in a timely manner, or at all. In light of the inherent risks and uncertainties associated with drug development, we anticipate that our partners may from time to time abandon or terminate the development of one or more drug candidates generated from our platform. As we are notified of such terminations, we will remove the subject programs from our Active Programs count.

We have not negotiated terms for a sufficient number of royalty- and milestone-bearing licenses, to enable us to make accurate predictions regarding our potential revenue and financial performance.

## Components of Results of Operations

### Revenue

Our revenue currently consists primarily of fees earned from our partners in conjunction with technology development agreements (TDAs), which are delineated as technology development revenue in our results of operations. These fees are earned and paid at various points throughout the terms of these agreements including upfront and upon the achievement of specified project-based milestones. In addition, in certain TDAs, we earn success-based fees upon achievement of specified technology goals.

We expect revenue to increase over time as we enter into additional partnership agreements and grant licenses to our partners for the clinical and commercial use of intellectual property rights to

the biological assets we create, and as the partners advance product candidates into and through clinical development and commercialization. We expect that our revenue will fluctuate from period to period due to the timing of executing additional partnerships, the uncertainty of the timing of milestone achievements and our dependence on the program decisions of our partners.

#### ***KBI BioPharma, Inc. Collaboration Agreement***

In December 2019, we executed a four-year Joint Marketing Agreement (JMA) with KBI BioPharma, Inc. (KBI) to co-promote technologies through joint marketing efforts. The JMA provides for a non-refundable upfront payment of \$0.75 million and milestone payments of \$2.75 million in the aggregate, of which \$2.25 million had been received as of December 31, 2020 and March 31, 2021. Additionally, KBI is obligated to make royalty payments to us during the fourth year of the JMA representing a percentage of its sales generated through the arrangement.

#### **Operating Expenses**

##### ***Research and Development***

Research and development expenses include the cost of materials, personnel-related costs (comprised of salaries, benefits and share-based compensation), consulting fees, equipment and allocated facility costs (including occupancy and information technology). These expenses are exclusive of depreciation. Research and development activities consist of technology development for partners as well as continued development of our Integrated Drug Creation Platform. We derive improvements to our platform from both types of activities. As our research and development efforts apply to our platform broadly and across programs, we have not historically tracked our research and development expenses on a partner-by-partner basis or on a program-by-program basis.

We expect research and development to continue to increase in absolute dollars as we enter into additional partnerships and continue to invest in platform enhancements.

##### ***Selling, General, and Administrative***

Selling, general, and administrative expenses include personnel-related costs (comprised of salaries, benefits and share-based compensation) for executive, business development, alliance management, legal, finance and other administrative functions. Marketing expenses include costs associated with attending conferences and other promotion efforts of our Integrated Drug Creation Platform. Additionally, these expenses include external legal expenses, accounting and tax service expenses, consulting fees, and allocated facilities costs (including occupancy and information technology). These expenses are exclusive of depreciation.

We expect our selling costs to increase in absolute dollars as we continue to grow our business development efforts, and increase marketing activities to drive awareness and adoption of our platform. We expect selling costs to fluctuate as a percentage of total revenue due to the timing and magnitude of these expenses, and to decrease as a percentage of total revenue in the long term.

We expect general and administrative expenses to continue to increase in absolute dollars as we increase headcount and incur costs associated with operating as a public company, including expenses related to legal, accounting, regulatory, maintaining compliance with exchange listing and requirements of the U.S. Securities and Exchange Commission (SEC), director and officer insurance premiums and investor relations. We expect these expenses to increase in absolute dollars and vary from period to period as a percentage of revenue in the near term, and to decrease as a percentage of revenue in the long term.

### Depreciation and amortization

Depreciation and amortization expense consists of the depreciation expense of our property and equipment. Our equipment is used most actively as part of our lab operations.

We expect depreciation expense to continue to increase in absolute dollars as we increase purchases of lab equipment to expand our operating facilities.

### Other Expenses

#### Interest Expense

Interest expense, net, consists primarily of interest related to borrowings under our term debt and laboratory equipment leases.

#### Other Expense, net

Other expenses to date consist primarily of adjustments of our preferred stock warrant liability to fair value and a gain on extinguishment for the forgiveness of our PPP Loan.

### Results of Operations

The results of operations presented below should be reviewed in conjunction with the condensed consolidated financial statements and notes included elsewhere in the prospectus. The following tables set forth our results of operations for the periods presented:

	For the Years Ended December 31,		For the Three Months Ended March 31,	
	2019	2020	2020	2021
(in thousands, except for share and per share data)				
<b>Revenues</b>				
Technology development revenue	\$ 2,044	\$ 4,117	\$ 525	\$ 940
Collaboration revenue	16	663	47	123
Total revenues	2,060	4,780	572	1,063
<b>Operating expenses</b>				
Research and development	4,311	11,448	1,907	7,050
Selling, general and administrative	3,523	5,502	971	4,685
Depreciation and amortization	491	1,131	184	476
Total operating expenses	8,325	18,081	3,062	12,211
Operating loss	(6,265)	(13,301)	(2,490)	(11,148)
<b>Other income (expense)</b>				
Interest expense	(268)	(634)	(98)	(455)
Other income (expense), net	(51)	(418)	(70)	164
Total other expense, net	(319)	(1,052)	(168)	(291)
Loss before income taxes	\$ (6,584)	\$ (14,353)	\$ (2,658)	\$ (11,439)
Income tax benefit	\$ —	\$ —	\$ —	\$ 477
Net loss and other comprehensive loss	\$ (6,584)	\$ (14,353)	\$ (2,658)	\$ (10,962)

### Comparison of the Three Months Ended March 31, 2020 and 2021

The following table summarizes our results of operations for the for three months ended March 31, 2020 and 2021 (In thousands):

#### Revenue

	For the Three Months Ended March 31,		\$ Change	% Change
	2020	2021		
<b>Revenues</b>				
Technology development revenue	\$ 525	\$ 940	\$ 415	79 %
Collaboration revenue	47	123	76	162
<b>Total revenues</b>	<b>\$ 572</b>	<b>\$ 1,063</b>	<b>\$ 491</b>	<b>86 %</b>

Total revenue was \$1.1 million for the three months ended March 31, 2021 compared to \$0.6 million for the three months ended March 31, 2020, representing an increase of \$0.5 million, or 86%.

Technology development revenue increased by \$0.4 million, or 79%, for the three months ended March 31, 2021 compared to the three months ended March 31, 2020, driven by an increase in the number of technology development agreements and the achievement of additional project-based milestones under such agreements during the period.

Collaboration revenue increased by \$0.1 million, or 162%, for the three months ended March 31, 2021 compared to the three months ended March 31, 2020, as a result of achieving a significant milestone under the JMA with KBI in 2020 resulting in a milestone payment and prospective revenue recognition.

#### Operating Expenses

	For the Three Months Ended March 31,		\$ Change	% Change
	2020	2021		
<b>Operating expenses</b>				
Research and development	1,907	7,050	5,143	270 %
Selling, general and administrative	971	4,685	3,714	382 %
Depreciation and amortization	184	476	292	159 %
<b>Total operating expenses</b>	<b>\$ 3,062</b>	<b>\$ 12,211</b>	<b>\$ 9,149</b>	<b>299 %</b>

#### Research and development

Research and development expenses increased by \$5.1 million, or 270%, from the three months ended March 31, 2020 to the three months ended March 31, 2021. The increase was generally driven by increased costs associated with increased technology development activity with our partners and increased costs associated with continued platform development. These increased costs were primarily attributable to increased headcount and related personnel costs in the amount of \$2.2 million, increased stock-based compensation from the phantom unit exchange and equity grants in the ordinary course in the amount of \$1.1 million, allocation of facility overhead, and increased costs from lab operations in the amount of \$1.2 million specifically for our technology development agreements and internal research activities.

### *Selling, General and Administrative Expenses*

Selling, general, and administrative expenses increased by \$3.7 million, or 382%, from the three months ended March 31, 2020 to the three months ended March 31, 2021. The increase was primarily driven by increased headcount and related personnel and recruitment costs in the amount of \$1.3 million, increased stock-based compensation from the phantom unit exchange and equity grants in the ordinary course in the amount of \$1.1 million and increased professional service fees in the amount of \$0.8 million.

### *Depreciation and amortization*

Depreciation and amortization expense increased by \$0.3 million, or 159%, from the year ended March 31, 2020 to March 31, 2021. The increase was primarily due to the increased purchases of lab equipment necessary to complete our increased level of technology development agreements and research and development.

### **Other Expenses**

	For the Three Months Ended March 31,		\$ Change	% Change
	2020	2021		
Other income (expense)				
Interest expense	(98)	(455)	\$ (357)	364 %
Other income (expense), net	(70)	164	\$ 234	(334)%
Total other expense, net	\$ (168)	\$ (291)	\$ (123)	73 %

### *Interest Expense*

Interest expense, was \$0.5 million for the three months ended March 31, 2021 compared to \$0.1 million for the three months ended March 31, 2020, representing an increase of \$0.4 million, or 364%. We increased borrowings on our term debt in May 2020, which led to an increase in interest expense. In addition, we incurred additional interest expense in connection with finance leases of additional laboratory equipment as we expanded our laboratory capacity from 2020 through 2021. We also recognized increased interest expense related to the convertible promissory notes issued in March 2021.

### *Other Income (Expense), net*

Other income (expense), net, increased by \$0.2 million, or (334)%, from the three months ended March 31, 2020 to the three months ended March 31, 2021. The increase was primarily driven by recognition of a gain on extinguishment for the forgiveness of our PPP loans in the amount of \$0.6 million, offset by a change in the preferred stock warrant liability's fair value in the amount of \$0.5 million.

### Comparison of the Years Ended December 31, 2019 and 2020

The following table summarizes our results of operations for the years ended December 31, 2019 and 2020 (In thousands):

#### Revenue

	For the Years Ended December 31,		\$ Change	% Change
	2020	2019		
<b>Revenues</b>				
Technology development revenue	\$ 4,117	\$ 2,044	\$ 2,073	101 %
Collaboration revenue	663	16	647	4,044 %
<b>Total revenues</b>	<b>\$ 4,780</b>	<b>\$ 2,060</b>	<b>\$ 2,720</b>	<b>132 %</b>

Total revenue was \$4.8 million for the year ended December 31, 2020 compared to \$2.1 million for the year ended December 31, 2019, representing an increase of \$2.7 million, or 132%.

Technology development revenue increased by \$2.1 million, or 101%, for the year ended December 31, 2020 compared to the year ended December 31, 2019, driven by an increase in the number of technology development agreements and the achievement of additional project-based milestones under such agreements during the period.

Collaboration revenue increased by \$0.6 million, or 4044%, for the year ended December 31, 2020 compared to the year ended December 31, 2019 as a result of achieving a significant milestone under the JMA with KBI, entered into in December 2019.

#### Operating Expenses

	For the Years Ended December 31,		\$ Change	% Change
	2020	2019		
<b>Operating expenses</b>				
Research and development	11,448	4,311	7,137	166 %
Selling, general and administrative	5,502	3,523	1,979	56 %
Depreciation and amortization	1,131	491	640	130 %
<b>Total operating expenses</b>	<b>\$ 18,081</b>	<b>\$ 8,325</b>	<b>\$ 9,756</b>	<b>117 %</b>

#### Research and development

Research and development expenses increased by \$7.1 million, or 166%, from the year ended December 31, 2019 to the year ended December 31, 2020. The increase was generally driven by increased costs associated with increased technology development activity with our partners and increased costs associated with continued platform development. These increased costs were primarily attributable to increased headcount and related personnel costs in the amount of \$2.9 million, allocation of facility overhead in the amount of \$0.7 million, and increased purchases of consumables necessary for our technology development agreements and internal research activities in the amount of \$3.7 million.

#### Selling, General and Administrative Expenses

Selling, general, and administrative expenses increased by \$2.0 million, or 56%, from the year ended December 31, 2019 to the year ended December 31, 2020. The increase was primarily driven by increased headcount and related personnel and recruitment costs in the amount of \$2.0 million.

Additionally, we recognized approximately \$0.4 million in increased legal expenses during the year ended December 31, 2020, partly due to costs associated with the LLC conversion.

#### *Depreciation and amortization*

Depreciation and amortization expense increased by \$0.6 million, or 130%, from the year ended December 31, 2019 to December 31, 2020. The increase was primarily due to the increased purchases of lab equipment necessary to complete our increased level of technology development agreements.

#### **Other Expenses**

	For the Years Ended December 31,		\$ Change	% Change
	2020	2019		
Other income (expense)				
Interest expense	(634)	(268)	\$ (366)	137 %
Other expense, net	(418)	(51)	\$ (367)	720 %
Total other expense, net	\$ (1,052)	\$ (319)	\$ (733)	230 %

#### *Interest Expense*

Interest expense, was \$0.6 million for the year ended December 31, 2020 compared to \$0.3 million for the year ended December 31, 2019, representing an increase of \$0.4 million, or 137%. We increased borrowings on our term debt in May 2020, which led to an increase in interest expense. In addition, we incurred additional interest expense in connection with finance leases of additional laboratory equipment as we expanded our laboratory capacity from 2019 through 2020.

#### *Other Expense, net*

Other expense, net, increased by \$0.4 million, or 720%, from the year ended December 31, 2019 to the year ended December 31, 2020. The increase was primarily driven by an adjustment to the preferred stock warrant liability's fair value.

#### **Pro Forma Information**

Immediately prior to the completion of this offering, all outstanding shares of our redeemable convertible preferred stock will automatically convert into shares of our common stock assuming the sale of shares in this offering at the assumed public offering price of \$      per share, the midpoint of the price range set forth on the cover page of this prospectus. The pro forma basic and diluted net loss per share for the year ended December 31, 2020 and the three months ended March 31, 2021 were computed using the weighted-average number of shares of common stock outstanding, including the pro forma effect of the conversion of all outstanding shares of redeemable convertible preferred stock into shares of common stock, as if such conversion had occurred at the beginning of the period, or their issuance dates if later. Pro forma net loss per share does not include the shares expected to be sold in this offering.

The following table sets forth the computation of the pro forma basic and diluted net loss per share of common stock for the periods presented: (in thousands, except share and per share data)

	For the year ended December 31, 2020	For the three months ended March 31, 2021
<b>Numerator:</b>		
Net loss	\$ (14,353)	\$ (10,962)
Adjustment of redeemable convertible preferred stock and units	(34,336)	—
Cumulative undeclared preferred stock dividends	(780)	(995)
Net loss available to common stockholder and unitholders	<u>\$ (49,469)</u>	<u>\$ (11,957)</u>
<b>Denominator:</b>		
Weighted-average common shares outstanding	4,691,020	5,140,648
Weighted-average redeemable convertible preferred stock		
Weighted-average convertible debt		
Pro forma weighted-average shares outstanding, basic and diluted	<u>4,691,020</u>	<u>5,140,648</u>
Pro forma net loss per share, basic and diluted		

## Liquidity and Capital Resources

### Overview

As of March 31, 2021, we had \$180.8 million of cash and cash equivalents. As of December 31, 2020, we had \$69.9 million of cash and cash equivalents.

We have incurred net operating losses since inception. As of March 31, 2021, our accumulated deficit was \$101.0 million. As of December 31, 2020, our accumulated deficit was \$90.1 million. To date, we have funded operations through issuances and sales of equity securities and debt, in addition to revenue generated from our technology development agreements. We believe that our existing cash and cash equivalents will be sufficient to meet our operating expenses, working capital and capital expenditure needs over at least the next 12 months following the date of this prospectus.

Our future capital requirements will depend on many factors, including, but not limited to our ability to raise additional capital through equity or debt financing, our ability to successfully secure additional partnerships under contract with new partners and increase the number of programs covered under contracts with existing partners, the successful preclinical and clinical development by our partners of product candidates generated using our Integrated Drug Creation Platform and the successful commercialization by our partners of any such product candidates that are approved. If we are unable to execute on our business plan and adequately fund operations, or if our business plan requires a level of spending in excess of cash resources, we may be required to negotiate partnerships in which we receive greater near-term payments at the expense of potential downstream revenue. Alternatively, we may need to seek additional equity or debt financing, which may not be available on terms acceptable to us or at all. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common stockholders. Debt financing and preferred equity financing, if available, may involve agreements that include covenants restricting



our ability to take specific actions, such as incurring additional debt, selling or licensing our assets, making product acquisitions, making capital expenditures, or declaring dividends. If we are unable to generate sufficient revenue or raise additional capital when desired, our business, financial condition, results of operations and prospects would be adversely affected.

### **Sources of Liquidity**

Since our inception, we have financed our operations primarily from the issuance and sale of our redeemable convertible preferred stock, borrowings under long-term debt agreements, and to a lesser extent, cash flow from operations.

#### *Redeemable convertible preferred stock*

Through March 31, 2021 and December 31, 2020, we have raised a total of \$104.3 million and \$99.4 million, respectively, from the issuance of redeemable convertible preferred stock, net of issuance costs. In 2020, we issued shares of Series E redeemable convertible preferred stock for net proceeds of \$64.7 million. In 2021, we issued additional shares of Series E redeemable convertible preferred stock for net proceeds of \$4.9 million.

#### *Bridge Bank Loan and Security Agreement*

In June 2018, we entered into a Loan and Security Agreement with Bridge Bank. We initially borrowed the first tranche of \$0.3 million in June 2018. We increased our borrowings to \$3.0 million in March 2019, and to \$5.0 million in May 2020. As of March 31, 2021, we had borrowed \$5.0 million in outstanding principal under the facility. The loan matures in May 2022, at which time all outstanding principal and accrued and unpaid interest is due and payable. This loan is secured by substantially all our tangible assets; intellectual property is excluded from this secured collateral, but is subject to a negative pledge in favor of Bridge Bank.

#### *Convertible notes*

In March 2021, we issued \$125.0 million aggregate principal amount of Convertible Notes to certain existing and new investors. The Convertible Notes are convertible into our preferred shares or common shares under certain circumstances or qualified financings, including upon the closing of this offering. The Convertible Notes converted upon the closing of this offering will convert at a price per share equal to the lower of (a) 82% of the initial public offering price or (b) a price determined based on the pre-money valuation of \$1.5 billion divided by the total outstanding shares of the common stock immediately prior to this offering, as calculated on as converted and fully diluted basis as set forth in the Convertible Notes.

### **Cash Flows**

The following summarizes our cash flows for the years ended December 31 and three months ended March 31 (In thousands):

	For the Years Ended December 31,		For the Three Months Ended March 31,	
	2019	2020	2020	2021
Net cash provided by (used in)				
Operating activities	\$ (6,032)	\$ (10,970)	(2,429)	\$ (7,285)
Investing activities	(1,089)	(2,171)	(189)	(8,876)
Financing activities	12,706	70,973	566	129,576
Net increase (decrease) in cash, cash equivalents, and restricted cash	\$ 5,585	\$ 57,832	\$ (2,052)	\$ 113,415

### ***Cash Flows from Operating Activities***

In the three months ended March 31, 2021, net cash used in operating activities was \$7.3 million and consisted primarily of a net loss of \$11.0 million adjusted for non-cash items, including depreciation and amortization expense of \$0.5 million, stock-based compensation of \$2.2 million, gain on extinguishment of our PPP loan of \$0.6 million, an increase to our preferred stock warrant liability of \$0.5 million and was partially offset by a net decrease in operating assets and liabilities in the amount of \$1.7 million.

In the three months ended March 31, 2020, net cash used in operating activities was \$2.4 million and consisted primarily of a net loss of \$2.7 million adjusted for non-cash items, including depreciation and amortization expense of \$0.2 million and an increase to our preferred stock warrant liability of \$0.1 million.

In the year ended December 31, 2020, net cash used in operating activities was \$11.0 million and consisted primarily of a net loss of \$14.4 million adjusted for non-cash items, including depreciation and amortization expense of \$1.1 million, loss on disposal of assets of \$0.4 million, stock-based compensation of \$0.4 million, an increase to our preferred stock warrant liability of \$0.5 million and net increase in operating assets and liabilities in the amount of \$1.0 million.

In the year ended December 31, 2019, net cash used in operating activities was \$6.0 million and consisted primarily of a net loss of \$6.6 million adjusted for non-cash items, including depreciation and amortization expense of \$0.5 million, and was partially offset by a net decrease in operating assets and liabilities in the amount of \$0.1 million.

### ***Cash Flows from Investing Activities***

In the three months ended March 31, 2021, net cash used in investing activities was \$8.9 million. The net cash used resulted primarily from purchases of lab equipment and leasehold improvements of \$6.4 million as we expanded our operations and overall capacity and cash paid as part of our acquisition of Denovium in January 2021 of \$2.5 million.

In the three months ended March 31, 2020, net cash used in investing activities was \$0.2 million primarily from purchases of lab equipment.

In the year ended December 31, 2020, net cash used in investing activities was \$2.2 million primarily from purchases of lab equipment.

In the year ended December 31, 2019, net cash used in investing activities was \$1.1 million primarily from purchases of lab equipment.

### ***Cash Flows from Financing Activities***

In the three months ended March 31, 2021, net cash provided by financing activities was \$129.6 million. The net cash provided resulted primarily from the issuance of Series E redeemable convertible preferred stock, net of issuance costs, in the amount of \$4.9 million, the issuance of \$125.0 million of convertible promissory notes in March 2021, and was partially offset by principal payments made for leased equipment under finance leases in the amount of \$0.4 million.

In the three months ended March 31, 2020, net cash provided by financing activities was \$0.6 million. The net cash provided resulted primarily from the issuance of Series D redeemable convertible preferred units, net of issuance costs, in the amount of \$1.0 million, and was partially offset by principal payments made toward our term debt in the amount of \$0.3 million and for principal payments made for leased equipment under finance leases in the amount of \$0.1 million.

In the year ended December 31, 2020, net cash provided by financing activities was \$71.0 million. The net cash provided resulted primarily from the issuance of redeemable convertible preferred stock and units, net of issuance costs, in the amount of \$69.3 million, the issuance of long-term debt

in the amount of \$2.6 million, proceeds from our PPP loan in the amount of \$0.6 million and was partially offset by principal payments made toward our long-term debt in the amount of \$0.5 million and for principal payments made for leased equipment under finance leases in the amount of \$1.1 million.

In the year ended December 31, 2019, net cash provided by financing activities was \$12.7 million. The net cash provided resulted primarily from the issuance of redeemable convertible preferred units, net of issuance costs, in the amount of \$10.3 million, the issuance of long-term debt in the amount of \$2.8 million, and was partially offset by principal payments made toward our long-term debt in the amount of \$0.1 million and for principal payments made for leased equipment under finance leases in the amount of \$0.3 million.

### Contractual Obligations and Other Commitments

The following table summarizes our contractual obligations as of March 31, 2021 (in thousands):

		<1 Year	1 to 3 Years	3 to 5 Years	More than 5 Years
Debt obligations, including interest	\$	917	\$ 139,648	\$ 452	\$ —
Operating lease commitments		1,444	4,385	4,008	4,751
Finance lease commitments		1,499	3,110	3,110	—
	\$	3,860	\$ 147,143	\$ 7,570	\$ 4,751

The following table summarizes our contractual obligations as of December 31, 2020 (in thousands):

		<1 Year	1 to 3 Years	3 to 5 Years	More than 5 Years
Debt obligations, including interest	\$	903	\$ 3,348	\$ 899	\$ —
Operating lease commitments		1,318	3,658	3,233	501
Finance lease commitments		1,784	2,606	495	—
	\$	4,005	\$ 9,612	\$ 4,627	\$ 501

### Income taxes

Our effective income tax rate was 4% for the first three months of 2021 and 0% in the years ended December 31, 2019 and 2020. The effective income tax rates reflect the impact of non-deductible expenses, state and local taxes and tax credits. Benefit from income taxes in the three months ended March 31, 2021 consists of the release of the valuation allowance on net deferred tax assets triggered by the deferred tax liabilities recorded as a result of our acquisition of Denovium in January 2021.

### Off-Balance Sheet Arrangements

We have not entered into any off-balance sheet arrangements and do not have holdings in any variable interest entities.

### Internal Control over Financial Reporting

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 U.S. generally accepted accounting principles (GAAP). Under standards established by the Public Company Accounting Oversight Board (PCAOB) a deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or personnel, in the normal course of performing their assigned functions, to prevent or detect

misstatements on a timely basis. The PCAOB defines a material weakness as a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented, or detected and corrected, on a timely basis.

While we and our independent registered public accounting firm did not and were not required to perform an audit of our internal control over financial reporting, in connection with the audits of our consolidated financial statements included elsewhere in this prospectus, we and our independent registered public accounting firm identified material weaknesses related to there being an insufficient complement of accounting and finance personnel with the necessary U.S. GAAP technical expertise to timely identify and account for complex or non-routine transactions.

Under standards established by the PCAOB, a material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected and corrected on a timely basis.

We are working to remediate the material weakness and are taking steps to strengthen our internal control over financial reporting through the hiring of additional finance and accounting personnel. With the additional personnel with the requisite technical knowledge and skills, we intend to take appropriate and reasonable steps to remediate the material weakness through the implementation of appropriate segregation of duties, formalization of accounting policies and controls and retention of appropriate expertise for complex accounting transactions. However, we cannot assure you that these measures will significantly improve or remediate the material weakness described above.

The actions that we are taking are subject to ongoing executive management review, and will also be subject to audit committee oversight. If we are unable to successfully remediate the material weakness, or if in the future, we identify further material weaknesses in our internal control over financial reporting, we may not detect errors on a timely basis and our financial statements may be materially misstated.

#### **Quantitative and Qualitative Disclosures about Market Risk**

##### ***Interest Rate Risk***

Our cash and cash equivalents consist of cash in readily available checking accounts and money market funds. As a result, the fair value of our portfolio is relatively insensitive to interest rate changes.

##### **Critical Accounting Policies and Significant Judgments and Estimates**

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with United States generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are described in more detail in Note 2 to our financial statements appearing 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 financial statements.

## **Revenue recognition**

We recognize revenue as control of our products and services are transferred to the customer in an amount that reflects the consideration expected to be received in exchange for those products and services. This process involves identifying the contract with a customer, determining the performance obligations in the contract, determining the contract price, allocating the contract price to the distinct performance obligations in the contract, and recognizing revenue when (or as) the performance obligations have been satisfied. A performance obligation is considered distinct from other obligations in a contract when it provides a benefit to the customer either on its own or together with other resources that are readily available to the customer and is separately identified in the contract. We consider a performance obligation satisfied once control of a good or service has been transferred to the customer, meaning the customer has the ability to use and obtain the benefit of the good or service. Technology development revenue includes revenue associated with the development and technology readiness phases of our technology development agreements. We refer to our customers as “partners” when describing their relationship in an agreement.

### *Technology development revenue*

Our Technology Development Agreements (TDAs) generally include multiple phases of Cell Line Development (CLD) such as library design, assay development, strain screening, fermentation optimization, purification, and analytics that all represent a single performance obligation. These agreements may include options for additional goods and services such as readying the technology to transfer to the partner and licensing terms. The transaction prices for these arrangements include fixed consideration for the single performance obligation as well as variable consideration for success-based achievements. Any variable consideration is constrained to the extent that it is probable that a significant reversal of cumulative revenue will not occur. Depending on the specific terms of the arrangement, we either recognize revenue over time or at a point in time. While there is no alternative use to us for the asset created, the agreement’s terms vary as to whether an enforceable right to payment for performance completed as of that date exists. Primarily all of our contracts include an enforceable right to payment.

We measure progress toward the completion of the performance obligations satisfied over time using an input method based on an overall estimation of the effort incurred to date at each reporting period to satisfy a performance obligation. This method provides an appropriate depiction of completed progress toward fulfilling our performance obligations for each respective arrangement. In certain technology development agreements that require a portion of the contract consideration to be received in advance at the commencement of the contract, such advance payment is initially recorded as a contract liability.

### *KBI BioPharma, Inc. Collaboration Agreement*

In December 2019, we executed a four-year Joint Marketing Agreement (JMA) with KBI BioPharma, Inc. (KBI) to co-promote technologies through joint marketing efforts. The JMA provides for a non-refundable upfront payment of \$0.75 million and milestone payments of \$2.75 million in the aggregate, of which \$2.25 million had been received as of December 31, 2020 and March 31, 2021. Upfront payments that relate to ongoing collaboration efforts required throughout the contract term such as joint marketing are recognized ratably throughout the contract term. We fully constrain revenue associated with the milestone payments until the specified milestones are achieved. Additionally, KBI is obligated to make royalty payments to us during the fourth year of the JMA representing a percentage of its sales generated through the arrangement. Any costs incurred to KBI through the duration of the JMA are recognized as a reduction to collaboration revenue in the period in which they are incurred.

### ***Business combinations***

We utilize the acquisition method of accounting for business combinations and allocate the purchase price of an acquisition to the various tangible and intangible assets acquired and liabilities assumed based on their estimated fair values. We establish fair value using either the replacement cost approach or the income approach based upon a discounted cash flow model. The replacement cost approach measures the value of an asset by the cost to reconstruct or replace it with another of like utility. The income approach requires the use of many assumptions and estimates including future revenues and expenses, as well as discount factors and income tax rates. Other estimates include:

- The use of carrying value as a proxy for fair values of fixed assets and liabilities assumed from the target; and
- Fair values of intangible assets and contingent consideration.

While we use our best estimates and assumptions as part of the purchase price allocation process to accurately value assets acquired and liabilities assumed at the business acquisition date, these estimates and assumptions are inherently uncertain and subject to refinement. As a result, during the purchase price measurement period, which is no more than one year from the business acquisition date, we may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Business combinations also require us to estimate the useful life of certain intangible assets that we acquire and this estimate requires significant judgment.

### ***Stock-Based Compensation***

We measure stock options and other stock-based awards granted to employees, directors and non-employees based on their fair value on the date of grant and recognize compensation expense of those awards over the requisite service, or vesting period of the respective award. We recognize the impact of forfeitures on stock-based compensation expenses as forfeitures occur. We apply the straight-line method of expense recognition to all awards with only service-based vesting conditions.

To determine the estimated fair value of our stock options on the grant date, we use the Black-Scholes option pricing model, which required the input of highly subjective assumptions and generally requires significant judgment. These assumptions include:

- Fair Value of Common Stock. See the subsection titled “—Common Stock Valuation” below.
- Expected Term. The expected term represents the period that the options granted are expected to be outstanding. The expected term of stock options issued is determined using the simplified method (based on the average of the vesting term and the original contractual term) as we have concluded that our stock option exercise history does not provide a reasonable basis upon which to estimate expected term.
- Expected Volatility. Given that our common stock is privately held, there is no active trading market for our common stock. We derived the expected volatility from the average historical volatilities over a period approximately equal to the expected term of comparable publicly traded companies within our peer group that were deemed to be representative of future stock price trends as we have limited trading history for our common stock. We will continue to apply this process until a sufficient amount of historical information regarding the volatility of our own stock price becomes available.
- Risk-Free Interest Rate. The risk-free interest rate is based on the U.S. Treasury zero-coupon issues in effect at the time of grant for periods corresponding with the expected term of the options.

- Expected Dividend Yield. We have never paid dividends on our common stock and do not anticipate paying any dividends in the foreseeable future. Therefore, we used an expected dividend yield of zero.

See Note 8 to our financial statements included elsewhere in this prospectus for more information concerning certain of the specific assumptions we used in applying the Black-Scholes option pricing model to determine the estimated fair value of our stock options. Certain of such assumptions involve inherent uncertainties and the application of significant judgment. As a result, if factors or expected outcomes change and we use significantly different assumptions or estimates, our stock-based compensation could be materially different.

We recorded stock-based compensation expense of \$0.0 million and \$0.4 million for the years ended December 31, 2019 and 2020, respectively, compared to 2.2 million for the three months ended March 31, 2021. As of December 31, 2020, there was \$0.7 million of total unrecognized stock-based compensation expense related to unvested stock options which we expect to recognize over a remaining weighted-average period of 3.8 years. As of March 31, 2021, there was \$4.8 million of total unrecognized stock-based compensation expense. Prior to the LLC Conversion, we granted phantom units awards to employees and non-employees. Upon the occurrence of a liquidity event, 100% of phantom units would vest. Upon a liquidity event, the phantom unit holders were entitled to a payment equal to the fair value of common units less a strike price. The payment is to be made in the same form of consideration as received by other unit holders as a result of the liquidity event. Other than this payment upon a liquidity event, Phantom units provide no economic value and they provide no voting rights. Due to the presence of an exercise condition contingent upon a liquidity event, the Company determined that it was not probable that the phantom units would become exercisable and no compensation expense has been recognized as of December 31, 2020. Following the LLC Conversion, and subsequent to December 31 2020, the phantom units were exchanged for a combination of cash payment rights, stock appreciation rights (SARs), and stock options granted under the 2020 Plan. The cash payment rights and SARs are contingent upon a liquidity event, which is not probable of occurring. Therefore, no compensation cost has been recognized as of December 31, 2020 or March 31, 2021.

We expect to continue to grant stock options and other 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.

The intrinsic value of all outstanding options as of December 31, 2020 was \$            million based on the assumed initial public offering price of \$            per share (the midpoint of the price range set forth on the cover page of this prospectus), of which approximately \$            million was related to vested options and approximately \$            million was related to unvested options.

The intrinsic value of all outstanding options as of March 31, 2021 was \$            million based on the assumed initial public offering price of \$            per share (the midpoint of the price range set forth on the cover page of this prospectus), of which approximately \$            million was related to vested options and approximately \$            million was related to unvested options.

#### ***Determination of the Fair Value of Common Stock***

We are required to estimate the fair value of the common stock underlying our stock-based awards when performing fair value calculations using the Black-Scholes option pricing model. Because our common stock is not currently publicly traded, the fair value of the common stock underlying our stock-based awards has been determined on each grant date by management and approved by our board of directors, considering our most recently available third-party valuation of common shares. All options to purchase shares of our common stock are intended to be granted with an exercise price per share no less than the fair value per share of our common stock underlying those options on the date of grant, based on the information known to us on the date of grant.

Our determination of the value of our common stock was performed using methodologies, approaches and assumptions consistent with the American Institute of Certified Public Accountants (AICPA), Audit and Accounting Practice Aid Series: Valuation of Privately Held Company Equity Securities Issued as Compensation (AICPA Practice Aid). In addition, our board of directors considered various objective and subjective factors to determine the fair value of our common stock, including:

- valuations of our common stock performed by third-party valuation specialists;
- the anticipated capital structure that will directly impact the value of the currently outstanding securities;
- our results of operations and financial position;
- the composition of, and changes to, our management team and board of directors;
- the lack of liquidity of our common stock as a private company;
- our stage of development and business strategy and the material risks related to our business and industry;
- external market conditions affecting the life sciences and biotechnology industry sectors;
- U.S. and global economic conditions;
- the likelihood of achieving a liquidity event for the holders of our common stock, such as an IPO or a sale of our company, given prevailing market conditions; and
- the market value and volatility of comparable companies.

The AICPA Practice Aid prescribes several valuation approaches for setting the value of an enterprise, such as the cost, income and market approaches, and various methodologies for allocating the value of an enterprise to its common stock. The cost approach establishes the value of an enterprise based on the cost of reproducing or replacing the property less depreciation and functional or economic obsolescence, if present. The income approach establishes the value of an enterprise based on the present value of future cash flows that are reasonably reflective of our future operations, discounting to the present value with an appropriate risk adjusted discount rate or capitalization rate. The market approach is based on the assumption that the value of an asset is equal to the value of a substitute asset with the same characteristics.

In accordance with the AICPA Practice Aid, we considered the various methods for allocating the enterprise value to determine the fair value of our common stock at the valuation date. Under the option pricing method (OPM), shares are valued by creating a series of call options with exercise prices based on the liquidation preferences and conversion terms of each equity class. The value of the common stock is inferred by analyzing these options. The probability weighted expected return method (PWERM) is a scenario-based analysis that estimates the value per share based on the probability-weighted present value of expected future investment returns, considering each of the possible outcomes available to us, as well as the economic and control rights of each share class. In connection with the preparation of our condensed consolidated financial statements for the years ended December 31, 2020 and 2019, we reassessed our estimate of fair value of our common stock for financial reporting purposes. Following this reassessment, it was determined that for financial reporting purposes the fair value of our common stock was higher than the fair value determined by the board of directors at the time of grant on October 28, 2020. The fair value for financial reporting purposes was determined to be \$5.14 per share, compared to a value of \$3.63 per share approved by the board of directors. Our third-party valuation reports estimated a valuation of our common stock of \$12.31 as of March 31, 2021.



Starting in 2020, we used a hybrid method to determine the estimated fair value of our common stock, which included both the OPM and PWERM models.

### **Recent Accounting Pronouncements**

See Note 2 to our Financial Statements “Summary of Significant Accounting Policies—Recently Issued Accounting Pronouncements” for more information.

### **Emerging Growth Company Status and JOBS Act Accounting Election**

We qualify as an “emerging growth company” as defined in the JOBS Act. An emerging growth company may take advantage of reduced reporting requirements that are not otherwise applicable to public companies. These provisions include, but are not limited to:

- being permitted to present only two years of audited financial statements and only two years of related Management’s Discussion and Analysis of Financial Condition and Results of Operations in this prospectus;
- not being required to comply with the auditor attestation requirements on the effectiveness of our internal controls over financial reporting;
- not being required to comply with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements (auditor discussion and analysis); and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We may use these provisions until the last day of our fiscal year in which the fifth anniversary of the completion of this offering occurs. However, if certain events occur prior to the end of such five-year period, including if we become a “large accelerated filer,” our annual gross revenue exceeds \$1.07 billion, or we issue more than \$1.0 billion of non-convertible debt in any three-year period, we will cease to be an emerging growth company prior to the end of such five-year period.

We have elected to take advantage of certain of the reduced disclosure obligations in the registration statement of which this prospectus is a part and may elect to take advantage of other reduced reporting requirements in future filings. As a result, the information that we provide to our stockholders may be different than the information you receive from other public companies in which you hold stock.

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, until those standards apply to private companies. We have elected to take advantage of the benefits of this extended transition period and, therefore, we will not be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies. Our financial statements may therefore not be comparable to those of companies that comply with such new or revised accounting standards. Until the date that we are no longer an emerging growth company or affirmatively and irrevocably opt out of the exemption provided by Section 7(a)(2)(B) of the Securities Act upon issuance of a new or revised accounting standard that applies to our financial statements and that has a different effective date for public and private companies, we will disclose the date on which we will adopt the recently issued accounting standard.

# Business

## Our Mission

Our mission is to change the world, one protein at a time. We founded Absci with the goal of creating better medicines and helping them reach patients sooner. We recognized the extraordinary medical and economic potential of protein-based drugs (biologics), but also the significant challenges the biopharmaceutical industry faces to both discover novel biologics and generate cell lines to manufacture them at commercial scale. We looked at the end game – getting better medicines to patients, faster — and asked: *how?* We built our technology to be that *how*.

We believe we are replacing the fragmented steps and inefficiencies of the conventional biologic drug discovery and cell line development processes with our fully integrated, end-to-end platform designed to create new and better biologics and accelerate their advancement into clinical trials and ultimately into the marketplace where they can serve patients. Combining innovative approaches, including synthetic biology, high-throughput single-cell screening, and deep learning artificial intelligence (AI), we seek to identify optimal drug candidates by exploring expansive protein sequence solution spaces — including considering sequences that nature's evolutionary trajectory has yet to propose. We believe our platform allows us to expand biological possibilities and generate proteins intractable to produce with other technologies to ensure the best drug candidates have the opportunity to become therapeutic realities for patients. Our goal is to enable the creation of better medicines by *Translating Ideas into Drugs*.

And we are just getting started. Proteins are everywhere making biology happen. We believe commercial applications for novel proteins extend far beyond the realm of therapeutics and into other industries including materials science, industrial chemicals, cosmetics, synthetic foods, and agriculture. Today, we are focused on bringing value to the biopharmaceutical industry and generating better medicines. Our near term vision is to enable discovery of novel, targeted biologic drug candidates, and the cell lines to manufacture them, with the click of a button. Looking ahead, we envision a future in which Absci will be the universal engine creating protein-based solutions to advance the bio-based economy, one protein at a time.

## Overview

With our AI-powered Integrated Drug Creation Platform we enable the creation of novel biologics by unifying biologic drug discovery and cell line development into one simultaneous process. We leverage proprietary synthetic biology technologies and deep learning AI to predict, identify, design, construct, screen, select and scale production of novel biologic drug candidates, and learn from the data we generate. We believe our approach delivers disruptive efficiency, but more importantly enables our partners to create novel and human/AI-designed new-to-nature biologics (next-generation biologics).

While next-generation biologics have exciting medical potential and are a rapidly growing field of drug development, because their protein architectures (scaffolds or modalities) are biologically foreign, they present challenges for conventional biologic drug discovery and cell line development methods. These methods typically involve a linear series of steps to screen and select desired molecular parts and reformat them into their final protein scaffold, and subsequent laborious and often unsuccessful generation of a suitable manufacturing cell line. We are transforming the biologic drug discovery and cell line development processes by rapidly screening up to billions of drug candidates *in* the desired final protein scaffold that goes into patients and *in* the production cell line that scales up for clinical and commercial manufacturing.

We believe our platform integrates a fragmented set of processes and bypasses the molecular reformatting and cell line development challenges that can lead to inefficiencies and failures. To accomplish this, we use proprietary high-throughput single cell assays that can evaluate billions of

drug sequence variants, each within its production cell line, for target binding affinity, protein quality, and production level (titer). We also harness the large datasets we generate to train and refine our deep learning models which guide our protein and cell line designs and enable *in silico* optimization of multiple attributes.

We believe our platform is the only commercially available solution that allows for high-throughput screening for simultaneous biologic drug discovery and manufacturing cell line development for next-generation biologics. With our recent acquisition of Totient, we are expanding our platform to include identification of disease- and tissue-specific targets and fully human antibodies as enhancements to our Discovery applications. We believe our unique approach to biologic drug creation has the potential to significantly accelerate preclinical development timelines and expand therapeutic possibilities for the biopharmaceutical industry.

Our goal is to become the partner of choice for biologic drug discovery and cell line development. As a technology development company, we generate biologic drug candidates and production cell lines for our partners to develop; we do not conduct or sponsor preclinical validation studies or clinical trials or seek regulatory approvals for drug candidates. Our business model is to establish partnerships with biopharmaceutical companies and use our platform for rapid creation of next-generation biologic drug candidates and production cell lines. We expect our partnerships to provide us with the opportunity to participate in the future success of the biologics generated utilizing our platform, through potential milestone payments as well as royalties on sales by our partners of approved products. We aim to assemble economic interests in a diversified portfolio of partners' next-generation biologic drug candidates across multiple indications.

We currently have drug candidates in nine Active Programs (across seven current partners' preclinical or clinical pipelines) in which we have negotiated, or expect to negotiate upon completion of certain technology development activities, license agreements with potential downstream milestone payments and royalties. Eight of the Active Programs are focused on developing production cell lines for drug candidates that our partners (including Merck & Co., Inc. (Merck), Xyphos Biotechnology, an Astellas Company (Astellas), Alpha Cancer Technologies, Inc. and other undisclosed biotechnology companies) are developing (five preclinical, one Phase 1, one Phase 3, and one animal health), reflecting our 2018 commercialization of our Cell Line Development (CLD) applications. We have one Discovery program underway focused on lead optimization with Astellas, which we signed shortly after our December 2020 expansion of our platform to include our initial Discovery applications. The Active Programs include programs that are subject to ongoing technology development activities intended to determine if the program can be pursued by our partner for future clinical development, as well as any program for which our partner obtains and maintains a license to our technology to advance the program after completion of the technology development phase. There is no assurance, however, that our partners will advance any drug candidates that are currently the subject of Active Programs into further preclinical or clinical development or that our partners will elect to license our technologies upon completion of the technology development phase in a timely manner, or at all.

Over the last two decades, biologics have emerged as one of the fastest growing class of drugs, with the Evaluate Pharma data reflecting that they account for approximately \$254 billion in sales worldwide and represent 12 of the top 20 selling therapeutics in 2020. The majority of recently-approved biologic drugs are monoclonal antibodies, but interest and investment are increasingly shifting towards the development of next-generation biologics, which we estimate, based on our analysis of the Evaluate Pharma data, account for 32% of biologics in Phase 1 clinical development today. Despite this increase, we believe that the biopharmaceutical industry remains constrained in pursuing these new biologic modalities because it lacks suitable approaches to efficiently create next-generation biologics. Existing solutions are largely limited to operating within the scope of what nature has already created. They are not adaptable to the full range of possible human-designed scaffolds or to the incorporation of non-standard amino acids (nsAAs) into the protein-of-interest. They do not effectively leverage AI either to derive and apply non-obvious insights across

the discovery and manufacturing process development value chain, or to explore potential drug sequences and structures that lie beyond nature's boundaries.

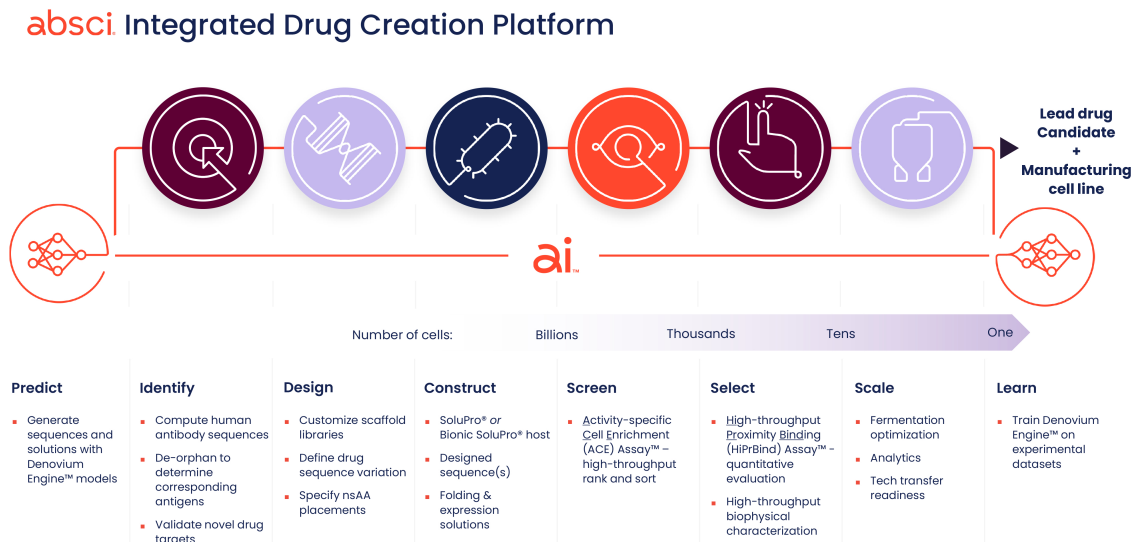
Our Integrated Drug Creation Platform enables novel target identification, and parallel discovery of next-generation biologics and with optimized production cell lines by uniquely incorporating engineered biodiversity, proprietary high-throughput single cell assays, and deep learning AI models. We use our platform to predict, identify, design, construct, screen, select and scale production of biologic drug candidates for our partners, and we learn from the data we generate. Our designs are AI-informed and our technology platform is scaffold-agnostic. Our AI leverages deep learning models that are trained on our growing datasets. Our datasets delineate detailed determinants of protein function and manufacturability across billions of single-cell experiments. Our single-cell experiments are performed in our patented production cell lines.

The foundational technologies that power our platform are:

- **SoluPro & Bionic SoluPro:** SoluPro is our patented bioproduction system based on bioengineered *E. coli* that we designed to be fundamentally good at making complex mammalian proteins. We further engineered our Bionic SoluPro to facilitate site-specific incorporation of nsAAs into what we call Bionic proteins. We believe our SoluPro cell lines unlock evolutionary opportunities by expanding the biological repertoire of proteins that can be produced to include new-to-nature proteins such as next-generation biologics.
- **Custom Scaffold Libraries:** We can design and generate up to billions of drug candidate sequence variants for each Discovery program. Our platform creates libraries in any scaffold our partner specifies, whether natural, pre-existing, or newly invented. These drug candidate sequence libraries are custom because they are specifically generated for each program and scaffold. We can also specify nsAA incorporation sites as we design these libraries.
- **Folding & Expression Solutions:** We curate a diverse collection of folding and expression solutions, which are genetic tools that we use to customize SoluPro and optimize production of the desired protein. We create up to billions of different cell lines and measure each cell's performance to find the solutions that work best for the protein-of-interest.
- **Breakthrough Assays:** Our proprietary Activity-specific Cell Enrichment (ACE) and High-Throughput Proximity Binding (HiPrBind) Assays allow us to evaluate and sort the millions to billions of drug sequences and cell line variants we generate. Tailored for each of our programs, our high-throughput assays can rank and sort billions of cells based on desired parameters such as target affinity, protein quality, and titer. We capture datasets that have the potential to provide us with highly relevant insights about protein function and manufacturability in our system and beyond.
- **Denovium Engine:** Our Denovium Engine is an AI technology that includes deep learning computational models of protein function. The Denovium Engine models, trained on our high-quality data that are particularly relevant to our system, generate non-obvious predictions about the impact of amino acid sequence and cell line engineering parameters on a given protein's function and manufacturability. In the future, we expect to use AI to inform the choice of drug scaffold, define the scope of sequence variants to generate, and design the cell line attributes. We believe this technology may eventually enable us to optimize complex solution space fully *in silico* without the need to physically screen billions of options.
- **Computational Antibody & Target Discovery:** Our computational antibody and target discovery technology is a bioinformatics and machine learning-based platform that allows us to computationally reconstruct sequences of human antibodies and other disease-specific

proteins from bulk RNA sequencing data (RNA-Seq). We can retrospectively select samples from patients who experienced distinct immune responses and assemble sequences of the most highly expressed monoclonal antibodies present in the tissue of interest. We use these antibodies to identify corresponding target proteins (antigens), and thus we uncover both novel and previously recognized immunogenic targets. We are building a library of tissue- and disease-specific target antigens paired with unique human derived antibodies. Our approach is extensible to identifying other disease state-specific macromolecules relevant to therapeutic responses, such as T-cell receptors.

These foundational technologies work together as our Integrated Drug Creation Platform. The diagram below depicts the core activities we accomplish on our platform.



Our process using our Integrated Drug Creation Platform involves the following steps:

- Predict:** We expect to use our Denovium Engine AI models to generate non-obvious predictions about what are likely to be optimal drug candidate sequences and cell line designs for any protein-of-interest. The AI combines the collective learnings available in public databases with our own experimental data specifically documenting protein functionality and manufacturability factors relevant to our system. Importantly, our Denovium Engine considers sequences and solutions that it has not seen before, and it may predict entirely new-to-nature protein scaffold elements and sequence motifs or design new biologic modalities. In addition, with data we produce through computational antibody and target discovery technology, we intend to train our Denovium Engine to predict likely drug targets from antibody or other binding protein sequences.
- Identify:** Starting with disease tissue samples or bulk RNA sequencing data of interest to our partners, we expect to apply our newly acquired computational antibody and target discovery technology to reconstruct sequences of human monoclonal antibodies that are prevalent in the tissue. With our SoluPro expression system and adapted versions of our ACE Assay we believe we can rapidly de-orphan the antibodies, using them as probes to identify their corresponding antigens. Not only are the antigens, whether known or novel, of potential interest as therapeutic targets, but also the fully human antibody sequences themselves may serve as starting points for lead drug candidate design.

- **Design:** Based on the program goals, we design custom libraries of protein-of-interest variants in the desired scaffold architecture and specify any desired nsAA placements. Using our Denovium Engine models, we may recommend modifications to the scaffold architecture, as well as define the scope of protein variation to evaluate options beyond sequences that exist in nature. In addition, we also incorporate designs based on folding and expression solutions predicted as relevant by our Denovium Engine models. This entire step is accomplished *in silico*.
- **Construct:** Using synthetic biology approaches, we construct up to billions of genetically distinct SoluPro or Bionic SoluPro cells to evaluate. Each cell contains the instructions to make one version of the protein-of-interest, as well as a different assortment of folding and expression solutions.
- **Screen:** Our proprietary high-throughput ACE Assay allows us to evaluate and sort up to billions of cells. We collect subsets of the population of cells that express the best versions of the protein-of-interest (hits), based on target binding, protein quality, and titer. We also collect large datasets on the genetic determinants of protein function and manufacturability in our system that we use to train our Denovium Engine models.
- **Select:** With our HiPrBind Assay, using automated multiplexed plate-based methods, we grow micro-batches of each of the thousands of hits from the ACE Assay and perform quantitative characterization of protein function, quality, and titer. We also perform high-throughput biophysical characterization to collect additional data on relevant biophysical attributes that impact developability. We are able to select the best several candidates (leads) in their putative production cell lines for further analytics, as well as collect further data insights to enhance our Denovium Engine models.
- **Scale:** We optimize fermentation conditions for the selected lead strain(s) to demonstrate desired productivity, quality, and scalability. We perform comprehensive analytics on the lead drug candidate(s) for evaluation and technology transfer to our partners.
- **Learn:** Throughout our process, we generate large and complex datasets specifying determinants of protein function and manufacturability. We use these data to train our Denovium Engine to enable its models to make increasingly refined predictions for target identification, drug scaffold sequence variation, and cell line designs. Our goal is to train the deep learning models with enough data to be able to input a sequence of a new drug target and have the model output a unique, optimal drug scaffold sequence and cell line architecture that we construct and confirm: a process that we refer to as *de novo* biologic drug creation *in silico*.

Because of the flexibility of our platform, we can partner with biopharmaceutical companies to address specific challenges, or we can open up opportunities to create new modalities and generate lead drug candidates that previously had not been possible. Programs we undertake vary across the range of our capabilities, from novel target identification and *de novo* drug discovery in bespoke scaffolds incorporating nsAAs to development of optimized production systems for existing lead drug candidates. Our goal is to demonstrate the value of our fully integrated approach and expand our work with an increasing number of partners on broad multi-molecule discovery partnerships. We believe we offer a compelling value proposition to our partners by:

- Accelerating timelines from idea to drug candidate;
- Enabling the creation of new biologic modalities;
- Improving the production capability of next-generation biologics;
- Designing better drug candidates; and

- Raising biologics production yields and lowering manufacturing costs.

Our initial focus is on enabling the biopharmaceutical industry by transitioning biologic drug discovery and cell line development processes onto our Integrated Drug Creation Platform and providing access to an expanded solution space for drug creation. Over time we envision deploying our platform into other industries as we live by our mission of changing the world, one protein at a time.

## Strategy

We believe we represent a new breed of biotechnology company, integrating powerful artificial intelligence with new synthetic biology technologies to create next-generation biologics. We aim to become a partner of choice to both large pharmaceutical companies and biotechnology companies to enable and empower discovery and cell line development capabilities for biologics. We intend to use our Integrated Drug Creation Platform to empower innovation by identifying new targets, creating new modalities, discovering next-generation biologics, driving efficiencies, broadening pipelines, and accelerating preclinical timelines.

Our strategy to accomplish this is as follows:

- **Enable the discovery and development of next-generation biologics and new modalities through our proprietary platform.** Our ability to design, construct and rapidly screen large populations of genetically distinct cells enables us to evaluate billions of unique protein variants and increase the probability of finding the most promising biologic drug candidate. We design and optimize new-to-nature modalities with insights from our Denovium Engine models. We also harness the power of nature, using synthetic biology approaches with our *E. coli* SoluPro strains to produce complex proteins and new modalities. Unlike other biologic drug discovery methods, we evaluate the variants of these desired proteins in the fully-constructed scaffold to enable creation of next-generation biologics while optimizing for target affinity as well as high-titer expression and scalable manufacturability from the beginning of the discovery process. We believe that our platform will empower our partners to bring new and better drugs to market.
- **Accelerate biologic drug discovery and cell line development by unifying these processes as “Integrated Drug Creation.”** Our platform seamlessly integrates multiple steps across the biologic drug discovery and cell line development process and our foundational technologies that power our Integrated Drug Creation Platform improve efficiencies at each step. Our approach also has the flexibility to address challenges at specific points in the biologic drug discovery and cell line development process and enable our partners to pursue more efficient biologic drug discovery across expanded solution spaces. By accessing our platform, infrastructure and expertise, our partners have the potential to eliminate extended timelines, reduce costs associated with setting up biologic drug discovery applications and cell line process development, and advance their preclinical programs more efficiently.
- **Drive rapid adoption by becoming a partner of choice for large pharmaceutical companies and biotechnology companies.** Many large pharmaceutical companies and biotechnology companies are seeking a partner with technologies, resources and teams to enable next-generation biologic drug discovery and execute on early stage preclinical programs. We strive to form strong partnerships across our target partner base and to drive rapid market adoption through increased business development activities designed to gain new partners and expand our existing partnerships to cover additional programs. We believe our innovative approach and ability to create better biologics faster, along with the scalability of our platform, will enable us to build a diversified portfolio of potential milestone revenues and royalty streams from a variety of next-generation biologics across multiple indications.

- **Advance the promise of *in silico* drug creation by leveraging proprietary data and AI.** Our Denovium Engine AI learns with each new program we undertake. We are enhancing the predictive power of Denovium by training its deep learning models with our unique multi-dimensional data sets. With enough data and iterations, we aim to achieve *in silico* creation of novel drug candidates with desired pharmacologic attributes, in bespoke scaffolds, along with high titer production cell lines. With our computational antibody and target discovery technology, added through our acquisition of Totient, we will be expanding the content of our training datasets to develop models that understand immune protein interactions and determinants of antibody-antigen specificity. Our Denovium AI technology is the link that correlates business scale with speed and precision. The more partners we have, the more data we generate, the more Denovium learns. As Denovium gets smarter, we can create new and better biologic constructs for our partners faster.
- **Continuously invest in our platform to push the boundaries of science and unlock the untapped power of biology.** We intend to maintain our technological differentiation through investments in teams and technologies, and to continue bolstering our capabilities in areas such as bioinformatics, molecular sciences, biology and chemistry, computation, and protein engineering. We expect to grow and enhance our intellectual property portfolio to protect and secure the value of our innovations. Similar to our acquisitions of Denovium and Totient, we believe we will continue to evaluate strategic technology acquisitions that would be additive to expand and strengthen the capabilities of our platform and deepen our expertise in biologic drug discovery and cell line development.
- **Maintain an entrepreneurial, founder-led, scientifically rigorous, data-driven and inclusive corporate culture.** Our founder-led team lives by the mantra: “*believe in the impossible.*” We are disrupting the pharmaceutical industry with bold ideas and fulfilling the promise of life-saving medicines for patients by *Translating Ideas into Drugs*. Each of our team members brings their energy, expertise, and enthusiasm to bear as we pursue the shared mission of changing the world, one protein at a time.

## Industry

Over the last two decades, biologics have been at the forefront of medical advances in a wide range of disease areas including oncology, immunology, infectious and metabolic disease, and many more. Biologics have emerged as one of the fastest growing class of drugs. According to publicly available data aggregated by Evaluate Pharma, the global protein-based biologics market, which we define as including monoclonal antibodies (mAbs), monoclonal antibody conjugates and recombinant products, reached approximately \$254 billion in 2020 and is expected to reach \$418 billion by 2026, representing a compound annual growth rate of approximately 9%.

Fueled by the medical promise of protein-based drugs, the biopharmaceutical industry has continued to expand its horizons in terms of the different diseases targeted by biologic drug developers as well as the design and different modalities of biologics. The desire by drug developers to manipulate biological mechanisms to fight diseases, explore targets that have not yet been addressed, and succeed in conquering difficult-to-drug targets has led to the development of increasingly complex biologic modalities and the emergence of the field of next-generation biologics. As we define them, next-generation biologics comprise a broad class of new protein-based modalities designed by scientists rather than found in nature. They include modified antibodies such as antibody-drug conjugates and bispecific mAbs, scaffolds based on antibody parts such as Fabs, scFvs, and VHHs, hybrid fusion proteins including T-cell engagers, multivalents, cytokine derivatives, and biologics incorporating nsAAs, and any other new-to-nature protein-based drug imaginable. According to our analysis of Evaluate Pharma data, next-generation biologics currently make up approximately 32% of the Phase 1 protein-based biologics in development.



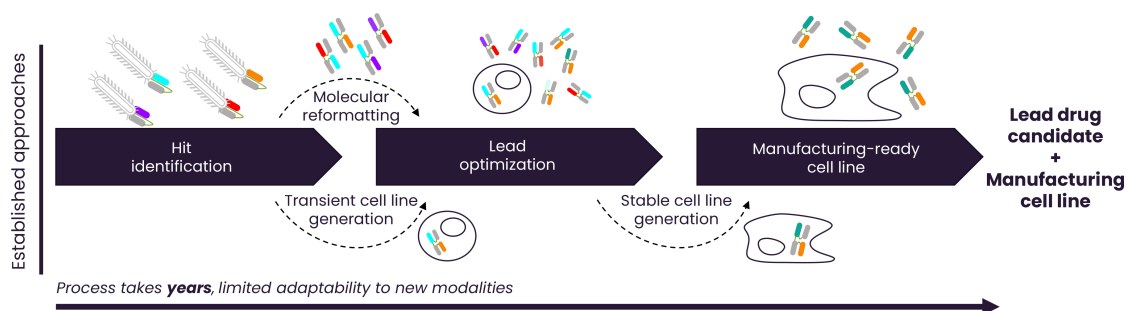
## Established methods for biologic drug discovery and cell line development

The biologics industry has experienced significant growth and technology advancement, but the process of developing a clinical stage-ready biologic drug candidate remains complex, inefficient, and failure-prone, and is typically accomplished through an assembly of isolated technologies. Generating a clinical stage-ready candidate includes two broad sets of technology development processes: *biologic drug discovery* and *cell line development*.

**Conventional Biologic Drug Discovery:** Given a target, conventional methods for biologic drug discovery involve fishing for “hits” that bind the target using methods such as phage display, yeast display or immune cell screening. Unless the hits are already in the desired scaffold, they then must undergo a molecular reformatting step to incorporate the hits into the desired scaffold. It is only once assembled that these “leads” can be evaluated. This reformatting is a low throughput one-by-one process that is prone to challenges such as loss of target specificity once the hit is reformatted into the lead scaffold, or inability to make enough of the lead to even evaluate its promise as a drug candidate. The discovery process, including screening, reformatting, and lead optimization, occurs across several technologies outside of the eventual production cell lines.

**Conventional Cell Line Development:** Biologics must be biologically synthesized in bespoke cell lines, rather than chemically synthesized like small molecule drugs. Development of cell lines suitable for manufacturing at scale is undertaken only after lead candidates have been selected using transient cell lines for expression. With conventional methods, stable manufacturing cell line development involves introducing a lead candidate into the host cell line, typically Chinese Hamster Ovary (CHO) cells, and then laboriously optimizing conditions and strain characteristics for scalable production of the new drug candidate, if possible. The limited adaptability of CHO cell lines and engineering challenges have constrained the scope of protein-based drugs that can be successfully developed. This can be particularly true for next-generation biologics, which may be impossible to produce with conventional approaches.

The below diagram illustrates the general steps of established approaches for biologic drug discovery and manufacturing cell line development:



## Limitations of existing approaches

With conventional fragmented approaches, preclinical timelines are extensive. According to a 2010 publication in Nature Reviews Drug Discovery authored by Paul and colleagues, the time from target discovery to IND was estimated at approximately 5.5 years. Moreover, the authors concluded that failure rates are high, with roughly only one in three lead drug candidates advancing to clinical testing in patients. For those drug candidates that do enter Phase 1 testing, the same publication estimated that 12% go on to receive marketing authorization, taking another eight years to do so. We believe that these long timelines and high failure rates are reflective of an industry reliant on aging systems and processes. It is our view that existing approaches are burdened by the design constraints of their technologies' evolution, with the current processes representing the culmination of many iterations on the first technologies employed by the industry. New technologies may be

tacked on to add incremental expansion of capabilities, but on the whole, the biologic drug discovery and cell line development processes remain fragmented and reliant on legacy component tools. This fragmentation of the processes discourages innovative potential, especially since the current approaches are not readily adaptable to development of next-generation biologics.

We believe the industry suffers from the following challenges and limitations of existing solutions:

- **Current methods involve fragmented steps and a patchwork of outdated technologies; new technologies generally focus on isolated steps and do not integrate the processes.** We believe drug developers primarily use legacy technologies and fragmented processes to accomplish discrete steps in either biologic drug discovery or cell line development. Moving between steps in the process and different technologies may not be seamless, introducing inefficiencies and creating insurmountable hurdles to advancement of a promising drug candidate. While new technologies and new methods for hit identification or cell line development have been commercialized, these methods do not allow for discovery screening to be performed while the candidate is in its production cell line and therefore cannot enable discovery of a new biologic in parallel with generating its production cell line. As a result, even with updated technologies, established methods contribute to long development timelines and low probabilities of success.
- **Commercially available biologic drug discovery platforms are generally constrained as to the types of biologic modalities they can explore.** We believe that most of the current approaches to biologic drug discovery impose technological and biological limitations as to the nature of proteins that can be evaluated. High diversity and high-throughput methods are primarily capable of identifying target specificity of small protein fragments or variants of native mammalian proteins. Consequently, newly-designed proteins in novel scaffolds generally require laborious “one by one” evaluation and/or screening by parts and then iterative assembly into the full scaffold. Similarly, conventional methods do not facilitate efficient discovery of new-to-nature proteins that incorporate nsAAs, a desirable feature for post purification chemical modifications. Constraints on the nature of screenable proteins limit the breadth of opportunities for discovery, and may result in suboptimal lead candidates, extended timelines and susceptibility to failure at different steps throughout the process.
- **Current approaches to biologic drug production are not readily adaptable to novel protein modalities.** Proteins require biological assembly by cellular machinery. Developers of more complex biotherapeutics such as monoclonal antibodies have adapted CHO cells to be reasonably adept bioproduction hosts. However, generation of a CHO cell line to produce any new biologic is not trivial, and an adequate cell line generally takes a year or more to develop. In addition, CHO systems have limited flexibility to produce next-generation modalities; the mammalian cells are difficult to engineer and are not adapted or adaptable to make new-to-nature proteins such as those built in novel scaffolds or incorporating nsAAs. The challenge of generating high-titer manufacturing cell lines is a critical impediment to advancing many novel biologic drug candidates into and through clinical development.
- **Current approaches do not leverage artificial intelligence to explore beyond opportunities within nature.** The scale and complexity of proteins present significant challenges for developing biotherapeutics. There are more potential protein variants than can ever be evaluated even with the highest throughput approaches. While some computational insights are being gained from experimental observations, there are few if any existing biotherapeutic drug design approaches that make impactful use of high-throughput data in combination with machine learning. We believe there is lost opportunity to train and use deep learning models to predict promising new proteins that lie outside the bounds of what already exists in nature or even what human intelligence can

rational design. The biopharmaceutical industry is still in the early days of augmenting human efforts with artificial intelligence, operating within the bounds of sequence similarities to natural precursors, even when considering functional impact.

- **Existing production organisms, or systems, can be inefficient and costly.** The vast majority of biopharmaceutical production processes today rely on CHO cell systems. The ongoing drug product costs of operating CHO cell bioproduction processes are high due to the nature of the cells' growth characteristics and requirements. As reported by Tripathi and Shrivastava in *Frontiers in Bioengineering and Biotechnology* (2019), CHO cells grow slowly and at low densities, so a single production run generally requires 10 to 14 days of growth in the bioreactor, which limits batch cycles and plant flexibility. The overall productivity of a CHO cell line producing a drug candidate at a 5 gram/liter titer may be less than half a gram per liter per day on average due to the extended growth cycle. Costly growth media and the requirement for downstream viral clearance steps also contribute to the high cost of CHO processes.

As a result of these limitations, we believe the biopharmaceutical industry can benefit from a newly-designed approach that incorporates the best current technologies and AI to accomplish the goal of discovering and advancing promising new biologic drug candidates into clinical development as quickly as possible.

### **Our Integrated Drug Creation Platform**

We built our Integrated Drug Creation Platform to create next-generation biologics including those that lie beyond the scope of nature. To achieve this, we leverage synthetic biology technologies, engineered biodiversity, proprietary functional assays and data-driven deep learning computational models to discover novel disease- and tissue-specific drug targets and next-generation biologic drug candidates while generating optimized production cell lines in parallel. Our platform enables functional evaluation of billions of variants of desired proteins, including complex biologic drug candidates, with simultaneous generation of scalable production cell lines, all in a time- and cost-effective manner. We screen *in* the desired scaffold format and *in* the scalable manufacturing cell line. We believe our platform is the only commercially available solution with this capability, enabling costly and lengthy processes to be collapsed into one integrated step.

We use our platform to predict, identify, design, construct, screen, select and scale production of biologic drug candidates for our partners, and learn from the data we generate. Our designs are AI-informed and our technology platform is scaffold-agnostic. Our AI leverages deep learning models that are trained on our growing datasets. Our datasets delineate detailed determinants of protein function and manufacturability across billions of single-cell experiments. Our single-cell experiments are performed in our patented production cell lines.

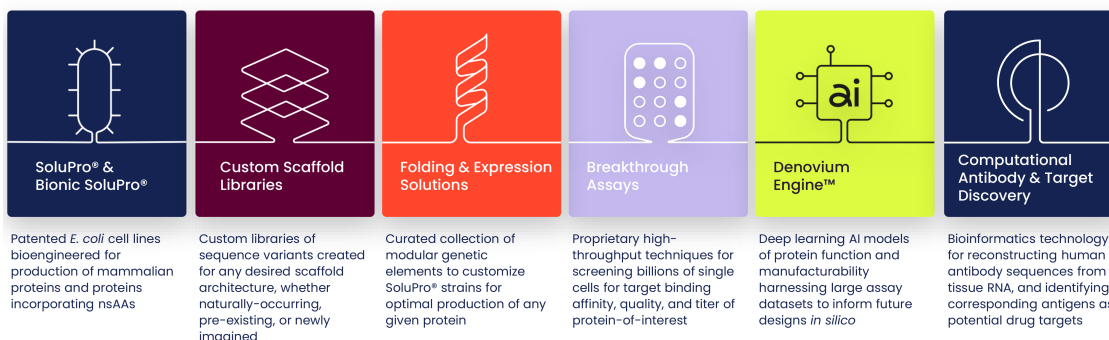
The foundational technologies that power our platform are:

- **SoluPro & Bionic SoluPro:** SoluPro is our patented bioproduction system based on bioengineered *E. coli*. Using synthetic biology techniques, we designed SoluPro to be our chassis cell line and be fundamentally good at making complex mammalian proteins. We believe our SoluPro unlocks evolutionary opportunities by expanding the biological repertoire of proteins that can be produced to include complex new-to-nature proteins such as next-generation biologics. We further engineered a version of SoluPro to facilitate site-specific incorporation of nsAAs into proteins for scaled production. We refer to these nsAA-containing proteins as Bionic Proteins and the SoluPro strain we use to produce them as Bionic SoluPro.
- **Custom Scaffold Libraries:** We can design and generate custom collections of drug candidate sequence variants for each Discovery program, starting with whatever scaffold our partner specifies, whether natural, pre-existing, or newly-invented, and building out up

to billions of different versions to test. These libraries are specifically generated for each program and scaffold, and our AI predictions coupled with our ability to generate libraries in any given scaffold allow us to consider relevant variants that nature could not have proposed. We can also specify nsAA incorporation sites as we design these libraries.

- **Folding & Expression Solutions:** We curate a diverse collection of folding and expression solutions, which are genetic tools that we use to customize SoluPro and optimize production of the desired protein. Each protein we work on has different characteristics when it comes to manufacturability factors, and with the folding and expression solutions parts library and our synthetic biology methods, we create up to billions of different cell lines and measure each cell's performance to find the solutions that work best for the protein-of-interest. The folding and expression solutions collectively comprise an expansive set of genetic modules and techniques we have assembled including ribosome binding site sequences, molecular chaperones, and codon-optimization conventions.
- **Breakthrough Assays:** Our proprietary ACE and HiPrBind Assays allow us to evaluate and sort the millions to billions of drug sequence and cell line variants we generate. Tailored for each of our programs, our high-throughput assays can rank and sort billions of cells based on desired parameters such as target affinity, protein quality, and titer. We are also able to capture datasets correlating protein sequence variants and folding and expression solutions with cell line characteristics. These large, highly complex datasets have the potential to provide us with highly relevant insights about protein function and manufacturability in our system and beyond.
- **Denovium Engine:** Our Denovium Engine is an AI technology that includes deep learning computational models of protein function. The Denovium Engine models, trained on our high-quality data that are particularly relevant to our system, generate non-obvious predictions about the impact of amino acid sequence and cell line characteristics on a given protein's function and manufacturability. A deep learning neural network approach is well-suited to our complex datasets because the models learn what is relevant to the specific objective, without human annotation or bias. We expect the capabilities of the Denovium Engine to grow with each new set of data we generate and input. In the future, we intend to use AI to inform the choice of drug scaffold, define the scope of sequence variants to generate, and design the cell line attributes. We believe this technology may eventually enable us to optimize complex solution space fully *in silico* without the need to physically screen billions of options.
- **Computational Antibody & Target Discovery:** Our computational antibody and target discovery technology is a bioinformatics and machine learning-based platform that allows us to reconstruct sequences of antibodies and other disease-specific proteins from bulk RNA sequencing data (RNA-Seq). We can retrospectively select samples from patients who experienced distinct immune responses and assemble sequences of the most highly expressed monoclonal antibodies present in the tissue of interest. We use these antibodies to identify corresponding target proteins (antigens), and thus we uncover both novel and previously recognized immunogenic targets. We are building a library of tissue- and disease-specific target antigens paired with unique fully human antibodies. Our approach is extensible to identifying other disease state-specific macromolecules relevant to therapeutic responses, such as T-cell receptors.

## absci Foundational Technologies



We perform our process using our Integrated Drug Creation Platform to predict biologically interesting variants, identify novel disease targets, design custom libraries of sequence variants, construct diverse populations of cells with these libraries and our folding and expression solutions, screen and sort these cells based on our desired criteria, select lead drug candidate/cell line combinations having the desired functionality and manufacturability qualities, optimize these leads for scaled manufacturing readiness, and learn by feeding data from our multitude of single cell experiments into our AI models to continually refine our predictions. Our process using our Integrated Drug Creation Platform includes the following steps:

- **Predict:** We expect to use our Denovium Engine AI models to generate non-obvious predictions about what are likely to be optimal drug candidate sequences and cell line designs for any protein-of-interest. The AI combines the collective learnings available in public databases with our own experimental data specifically documenting protein functionality and manufacturability factors relevant to our system. Importantly, our Denovium Engine considers sequences and solutions that it has not seen before, and it may predict entirely new-to-nature protein scaffold elements and sequence motifs or design new biologic modalities. In addition, with data we produce through computational antibody and target discovery technology, we intend to train our Denovium Engine to predict likely drug targets from tissue-derived antibody or other binding protein sequences.
- **Identify:** Starting with disease tissue samples or bulk RNA sequencing data of interest to our partners, we expect to apply our newly acquired computational antibody and target discovery technology to reconstruct sequences of human monoclonal antibodies that are prevalent in the tissue. With our SoluPro expression system and adapted versions of our ACE Assay we believe we can rapidly de-orphan the antibodies, using them as probes to identify their corresponding antigens. Not only are the antigens, whether known or novel, of potential interest as therapeutic targets, but also the fully human antibody sequences themselves may serve as starting points for lead drug candidate design.
- **Design:** Based on the program goals we design custom libraries of protein-of-interest variants in the desired scaffold architecture and specify any desired nsAA placements. This entire step is accomplished *in silico*, and we incorporate predictions our Denovium Engine models have extracted from our proprietary datasets to improve our designs. We design the synthetic biology components at the DNA level, including gene(s) for the protein-of-interest that will encode the potential future drug candidates. We design custom plasmid libraries for each program we undertake. Plasmids are the carriers of the DNA for the protein-of-interest that will ultimately be delivered into the cell line. We may start with a generic DNA sequence for the desired scaffold and, using our AI predictions, define the parameters of the sequence variation to be evaluated for discovery and/or any targeted nsAA placements.

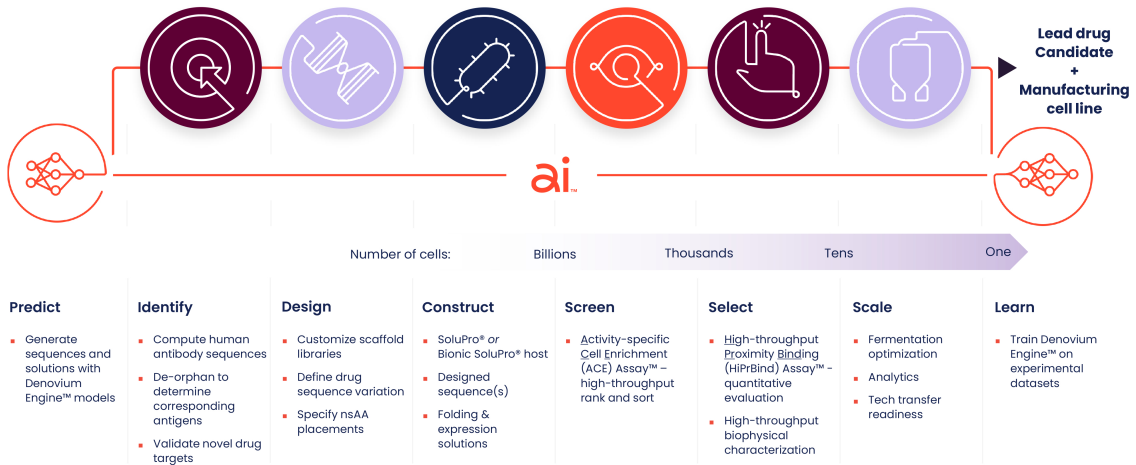
Having designed the gene-of-interest sequences, we augment the computational plasmid designs with a random assortment or selected range of our synthetic biology folding and expression solutions that are included to impart characteristics to the cell lines that optimize production of the protein-of-interest.

- **Construct:** Using synthetic biology approaches, we construct up to billions of genetically distinct SoluPro or Bionic SoluPro cells to evaluate. Each cell contains the instructions to make one version of the protein-of-interest, as well as a different assortment of folding and expression solutions. We synthesize the designed plasmid libraries and deliver them into our host organism, creating a large population of these host cells for screening. These populations of distinct plasmids modify our base SoluPro strains and generate a large population of genetically distinct cells. The population of cells is cultivated under manufacturing-relevant fermentation conditions to induce production of the protein-of-interest for screening.
- **Screen:** We screen this large population of cells for the desired characteristics using our proprietary ACE Assay, which enables rapid identification of hits from large genetically diverse populations of cells. The ACE Assay is a binding-based assay that allows us to sort SoluPro cells based on protein-of-interest functionality (such as target affinity) as well as expression level (titer). To accomplish this, we introduce fluorescently labeled binding targets (e.g., the antigen against which we are trying to develop a drug) and use fluorescence activated cell sorting (FACS) to evaluate and sort each cell based on how brightly it fluoresces. Using proprietary methods, we correlate the fluorescent signal with the quantity, quality, and function of the protein-of-interest, and thus we utilize the ACE Assay to characterize millions or billions of independent strains and collect the desired variants based on the parameters we set. In this way we are quickly able to identify the most promising subset of cells from among millions or billions. Our ACE Assay is compatible with a diverse range of protein modalities, including next-generation biologics. We are also generating billions of data points describing sequence modifications and combinations of folding solutions contributing to protein affinity, solubility and manufacturability that we use to train our Denovium Engine deep learning model.
- **Select:** We use our proprietary High-Throughput Proximity Binding (HiPrBind) Assay to select the best leads from among the screened hits. For expanded clonal populations of each of the hits identified we can quantitatively evaluate and characterize functional parameters of the protein-of-interest such as target binding affinity, titer, and product quality. Our proprietary techniques allow us to discriminate between full length properly folded protein and any other improperly folded or incomplete product-related impurities, in a fully quantitative manner, and again collect the data for training the Denovium Engine models. Like the ACE Assay, the HiPrBind Assay is designed to be readily adaptable to a diverse range of protein modalities. We also perform high-throughput biophysical characterization to collect additional data on relevant biophysical attributes that impact developability. We are able to select the best several candidates (leads) in their putative production cell lines for further analytics, as well as collect further data insights to enhance our Denovium Engine models.
- **Scale:** We optimize fermentation conditions for the selected lead strain(s) to demonstrate desired productivity, quality, and scalability. Having narrowed the cell population down from millions or billions to closer to a dozen, we employ several banks of state-of-the-art 250 mL fed batch fermenters to perform fermentation process optimization using design of experiments (DOE) methodologies to identify scalable production processes. To generate purified material for internal analytics and evaluation by our partners, we use standard chromatography purification methods to make small batches of protein-of-interest from the selected strains. We perform comprehensive protein analytics to evaluate product quality

and purity, and we generate cell banks and documentation suitable for technology transfer to partners or the contract manufacturers they specify.

- Learn:** Throughout our process, we generate large and complex datasets specifying determinants of protein function and manufacturability. We use these data to train our Denovium Engine to enable its models to make increasingly refined predictions for target identification, drug scaffold sequence variation and cell line design. Our goal is to train the deep learning models with enough data to be able to input a sequence of a new drug target and have the model output a unique, optimal drug scaffold sequence and cell line architecture that we construct and confirm: a process that we refer to as *de novo* biologic drug creation *in silico*.

## abs-ci Integrated Drug Creation Platform



### Applications of our Integrated Drug Creation Platform

Our platform is flexible, and we are able to onboard a given program at multiple points in the biologic target identification, drug discovery, and cell line development process. Starting with a given target and a desired scaffold format for an eventual drug candidate, we may perform comprehensive *de novo* biologic drug discovery through to cell line development. We may enhance discovery opportunities with our partners by building new scaffolds and designing new molecules to incorporate nsAAs to facilitate post-purification chemical modifications. We may further expand program scope to start with target identification activities incorporating our recently acquired computational antibody and target discovery technology. We may also design and optimize a high titer production cell line for a partner's already-established lead drug candidate. We classify our applications into two key categories: Discovery and Cell Line Development (CLD). Since we deliver a production cell line for each of our projects, we define Discovery as any projects for which we are evaluating variants of the protein-of-interest, and we define CLD as a program for which the production cell line alone is the goal of the partnership.

- Discovery:** We commercially launched our initial Discovery applications in December 2020, and to date we have one Discovery program underway for lead optimization. Discovery involves screening for lead drug hits directed to the desired target; the target may be provided by a partner or identified using our computational antibody and target discovery technology. Unlike other commonly used screening methods used for biologic drug discovery, we are screening for hit variants in the complete scaffold, not a domain fragment to be subsequently reformatted. We also screen in production cell line variants. Our

Discovery applications are scaffold-agnostic. Whether we are screening variants of an antibody, a T-cell engager, a multivalent Fc-fusion, or any other human- or AI-designed modality, our platform is adaptable to simultaneously optimize for functionality and manufacturability of lead candidates. We believe there is no other commercially available solution that enables comprehensive scaffold-agnostic drug discovery in the desired scaffold format. The Discovery applications that we currently or in the future expect to address with our Integrated Drug Creation Platform are the following:

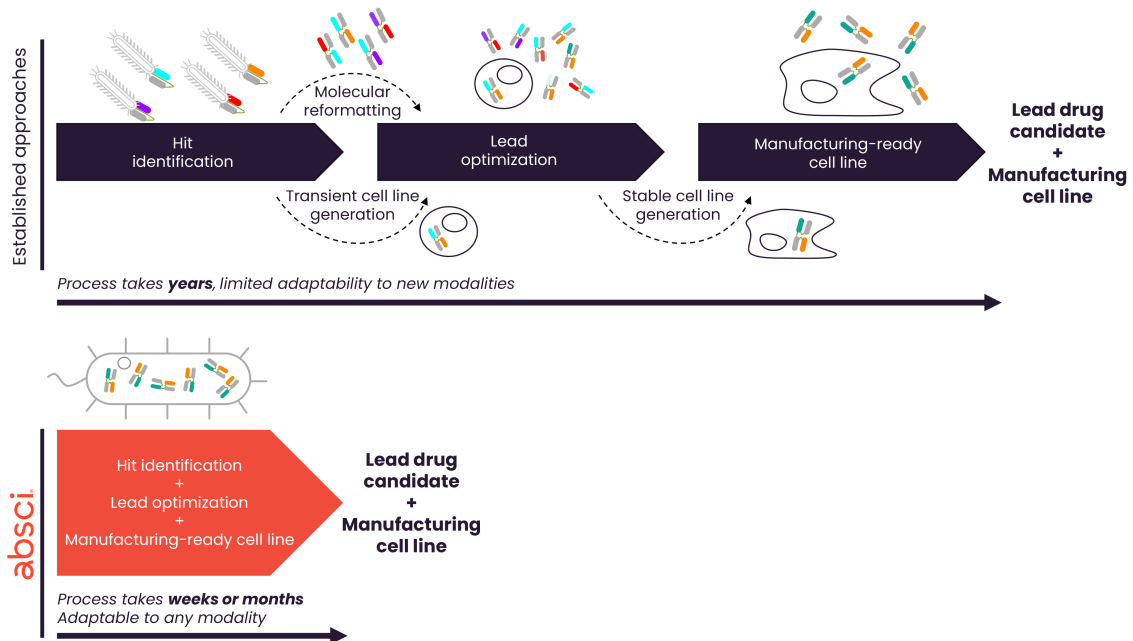
- *Novel target identification* - From tissue samples that are of particular therapeutic interest, we identify prevalent immune-response molecules such as antibodies along with the corresponding antigens, offering new therapeutic targets as well as cognate binding partners for further validation. Whatever the desired biologic modality, we can design, construct, and select the appropriate sequence for lead drug development. And we create an optimized production cell line.
- *Scaffold design and drug platform development* - We are uniquely capable of assembling and producing new-to-nature next-generation biologic scaffolds. We may therefore empower our partners with the ability to execute on theoretical modalities, creative fusions, and multivalent molecular hybrids. Within the context of those assembled scaffolds we can evaluate variants to discover new drug candidates designed for optimal target affinity and other desired characteristics. And we create optimized production cell lines.
- *De novo discovery* - We may perform *de novo* discovery by starting with a desired scaffold format for the desired drug and creating a library of relevant sequence variants that will establish the target specificity (e.g., CDR regions of antibody). And we create an optimized production cell line.
- *Bionic Protein creation (nsAA incorporation)* - We may engineer a signal into the gene encoding the drug candidate that directs incorporation of an nsAA into the growing protein chain in a site-specific manner. The nsAA provides a handle for chemical modifications including glycosylation, PEGylation, ADC-payload conjugation, and novel branched proteins and chemical conjugates. And we create an optimized production cell line.
- *Human antibody discovery* - From our catalog of human-derived antibody sequences we are building a collection of unique fully-human monoclonal antibodies with specificity for validated targets of interest. We may optimize monoclonal antibodies or next-generation biologics derived from these sequences as lead drug candidates in partnered programs. And we create an optimized production cell line.
- *Lead optimization* - We may start with drug discovery leads and introduce modifications into the sequences to evaluate variants for improved target affinity, manufacturability, and other pharmacologic characteristics. Thus we can optimize leads that our partners may advance through preclinical development. And we create an optimized production cell line.
- **Cell Line Development (CLD):** We launched our CLD applications in 2018, as our first commercial offering, and all but one of our ongoing programs are for CLD. Because we deliver a production cell line for each of our projects, we classify a program as CLD only when the production cell line alone is the goal of the partnership, or in other words, when the sequence of the lead drug candidate is locked in. Fundamentally, the process utilizing our Integrated Drug Creation Platform is the same as for our Discovery programs, except that the plasmid libraries we design include a fixed lead drug sequence, with variation



limited to the assortment of the folding and expression solutions. Screening and selection steps are aimed at identifying the cell lines with highest titer expression of the drug candidate. Partners typically have come to us with late-preclinical or clinical-stage next-generation biologics for which they have not been able to develop a manufacturing process or for which an existing manufacturing process is poorly performing. As we succeed in these CLD programs, we believe we enable the advancement of next-generation biologic candidates that otherwise would not proceed in development due to manufacturability challenges.

### Advantages of our Integrated Drug Creation Platform

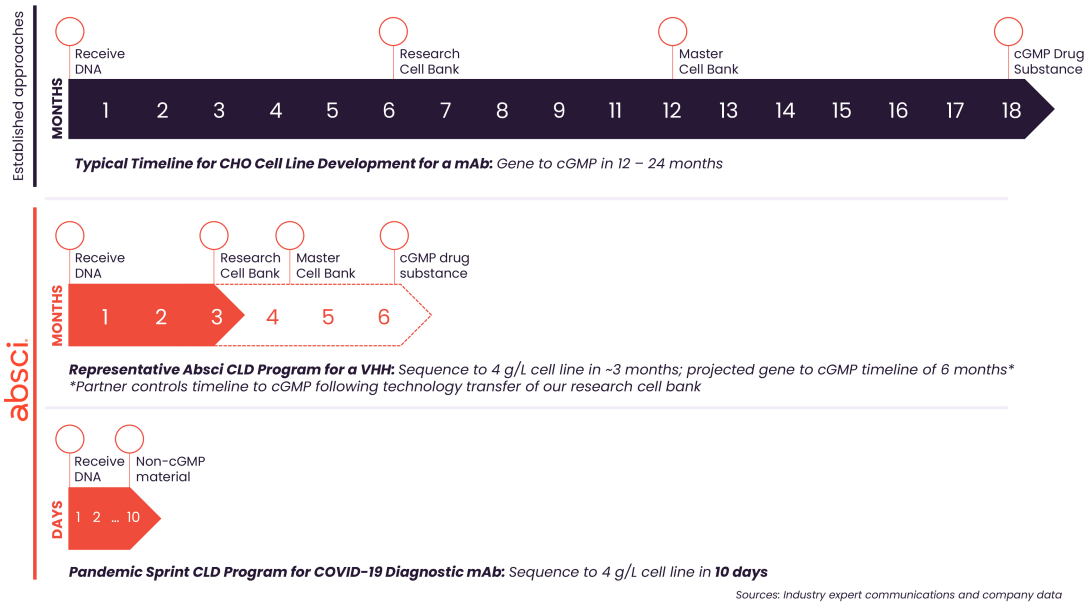
Our platform integrates biologic drug discovery and cell line development processes, accomplishing these activities in parallel rather than sequentially, as illustrated relative to established approaches in the figure below.



We have designed our Integrated Drug Creation Platform to provide the following potential benefits for our partners:

- Accelerated timelines from idea to drug candidate:** Our platform integrates biologic drug discovery and cell line development, collapsing time-consuming fragmented activities into one concise process. Because from the start we screen for hits *in* the desired scaffold format and *in* the cell line that will scale up for manufacturing, we can bypass common failure points and avoid the need for molecular reformatting or subsequent cell line development. We optimize drug candidate properties and cell line performance in parallel from the outset of the project. We leverage our Integrated Drug Creation Platform and foundational technologies to accelerate novel target identification, biologic drug discovery, and cell line development timelines, whether we start with a lead candidate for which a partner needs a cell line, a new target against which a partner wants to create a next-generation drug candidate, or a scope that falls somewhere in between. Depending on the complexity of the project and the priorities specified by the partner, we can create a cell line for a defined biologic in as little as 10 days. Our timelines for CLD may enable transition from gene to production of material designed to comply with current good manufacturing

practice (cGMP) requirements in six months, versus one to two years for standard CHO cell line development. Because our discovery occurs in the same process, we expect to meet similar timelines with our Discovery programs. Our timelines relative to industry standards are depicted in the figure below.



- Creation of new biologic modalities:** Our Discovery applications are scaffold-agnostic. We use a synthetic biology approach and harness the power of nature using our SoluPro strains, which we have bioengineered to produce complex proteins rapidly and effectively. Utilizing our Integrated Drug Creation Platform, we specialize in creating new biologic modalities, discovering next-generation biologics in engineered scaffolds, and creating Bionic Proteins that incorporate nsAAs. Unlike other biologic drug discovery methods, from our initial screens we are looking for hit variants *in* the fully-constructed scaffold, not a domain fragment to be subsequently reformatted. By screening in the fully assembled molecular format and *in* the scalable production cell line, any leads we identify are designed to be readily manufacturable. Thus, we expect to enable entirely new biologic opportunities and reduce frustrating and costly preclinical failures that impede advancement of new-to-nature next-generation biologics. We believe there is no other commercially available solution that enables comprehensive, high-throughput, scaffold-agnostic biologic drug discovery in the desired scaffold format and cell line.
- Efficient production of complex biologics:** We have bioengineered our SoluPro strains to excel at producing a wide variety of complex proteins. SoluPro overcomes the challenges encountered in using *E. coli* strains to synthesize complex biologics that first led the industry to turn to CHO cells. With our Integrated Drug Creation Platform, we deploy our synthetic biology toolkit and our folding and expression solutions libraries to customize the scaffold-agnostic base SoluPro strains to enable high titer production of the proteins we address. We are not restricted to making proteins that look like proteins found in nature; our SoluPro strains are readily adaptable to making biologics in new scaffolds or incorporating nsAAs. Because of the scope and throughput of our assays, we can evaluate millions or billions of potential strains to efficiently identify configurations of folding and expression solutions that confer optimal protein production performance.

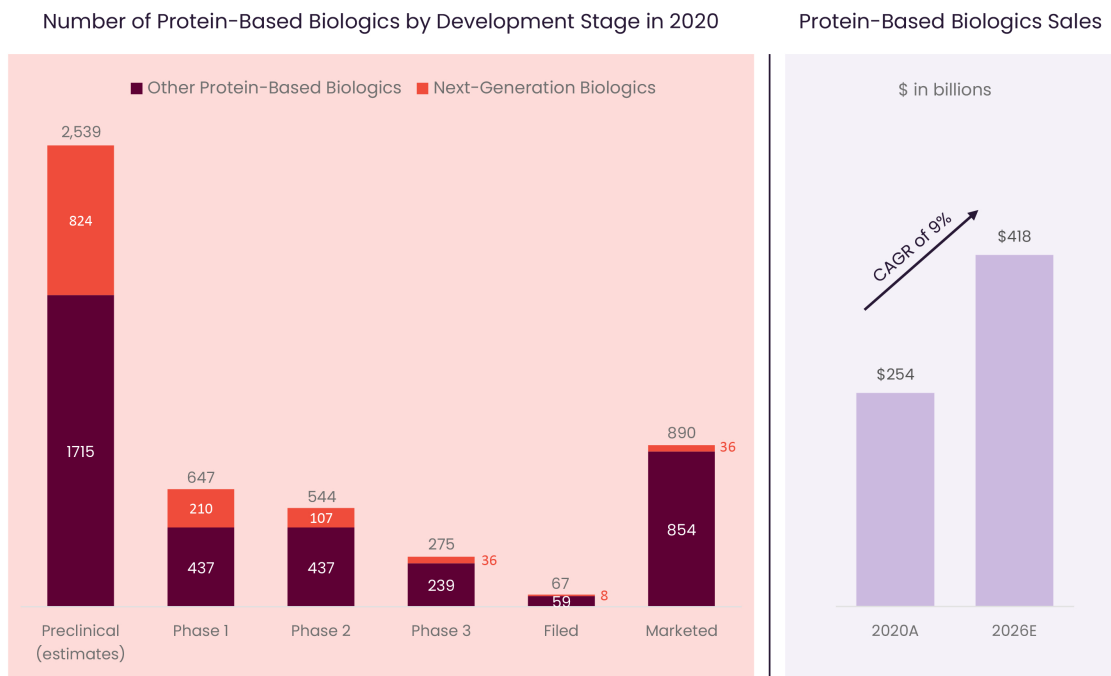
- **Design of better drug candidates based on AI predictions:** We use deep learning artificial intelligence models trained on our proprietary datasets as well as functional characteristics of millions of proteins represented in public databases to design new drug candidates to have desired pharmacologic performance without constraining ourselves to what nature has already discovered. We evaluate up to billions of distinct cell lines for each project. In addition to identifying the best performing drug sequences and cell lines, we are also generating immense datasets with the goal of substantiating and differentiating the relevant from the irrelevant, the optimal from the contraindicated, in the solution space of target specificity, drug sequence variation, and folding solutions. We harness this evidence to progressively train our deep learning Denovium Engine, which then outputs progressively more relevant and valuable predictions to direct our synthetic constructions. We believe this highly specialized deep learning approach is differentiated by both the technology that underpins the Denovium Engine and the proprietary data we feed it. Our Denovium Engine models enable multi-parameter predictions and simultaneous optimization of attributes in parallel, making predictions that solve for desired attributes such as bioavailability, stability, immunogenicity, as well as target affinity and manufacturability. We believe that insights we achieve through the integration of deep learning will ultimately help identify the new drug candidates with the best chances for clinical success.
- **Increase manufacturing productivity and reduce costs:** Beyond the savings afforded by reduced failure rates and accelerated timelines, we believe our SoluPro cell lines' high productivity can translate into significant reductions in drug substance cost of goods. We estimate that biologic drug substance cost of goods saving could be on the order of 50% relative to CHO production systems, the most widely used system in the biopharmaceutical industry today. As discussed by Tripathi and Shrivastava in *Frontiers in Bioengineering and Biotechnology* (2019), and according to our experience, the primary determinant is the rapid and high-density growth of *E. coli* SoluPro relative to CHO cell lines; the SoluPro bioreactor growth cycle time is 1-2 days, as compared to 10-14 days for CHO cell lines. Given cell lines that achieve comparable protein production titers in SoluPro and CHO systems, the SoluPro system's productivity would be roughly 5-10 times that of the CHO system on a grams per liter per day basis. In addition, SoluPro has other advantages associated with the use of *E. coli* as a biomanufacturing organism. In particular, its growth media ingredients are lower cost relative to the media required for mammalian cells, viral clearance studies are unnecessary, and heterogeneous glycosylation patterns do not hamper drug product quality or characterization.

## Our Market

Our market opportunity is driven by the number of biologic candidates we generate and the successful development and commercialization of these candidates by our partners. As reflected in the Evaluate Pharma data, there are currently 1,250 companies involved in developing and marketing over 4,950 protein-based biologics, which we define as including candidates categorized as monoclonal antibodies (mAbs), monoclonal antibody conjugates (ADCs), and recombinant products (comprising novel fusion proteins as well as numerous conventional recombinant proteins, peptides, and hormones), but excluding those categorized as cell therapies, DNA and RNA based therapies, gene therapies, plasma-derived therapies, and vaccines. In 2020, cumulative global sales of these protein-based biologics reached approximately \$254 billion, representing 33% of the sales of all drugs. In 2020, 72 protein-based biologics reached blockbuster status with annual worldwide sales higher than \$1.0 billion. Of the total protein-based biologics sales, mAbs represent approximately 63%, with average per product peak sales of \$2.7 billion (median \$1.3 billion). The protein-based biologics market is expected to reach \$418 billion by 2026, representing a compound annual growth rate of approximately 9%. In the near term, we are focused on the next-generation biologics market, which we estimate based on our analysis of the Evaluate Pharma data to represent approximately 32% of protein-based biologics in Phase 1 clinical development. We estimate next-generation biologics represent a similar proportion of the 2,539 preclinical protein-

based biologics. While our Integrated Drug Creation Platform is suited to generation of any type of protein-based biologic, we believe our capabilities are especially differentiated in the area of next-generation biologics. We expect our future programs to be principally in this category as we seek to provide an avenue to expand the number and variety of next-generation biologics in development by our existing and future partners, including with the addition of nsAA-containing Bionic Proteins to their pipelines.

The figures below illustrate the number of protein-based biologics in each phase of development, including our estimate of the number of next-generation biologics in preclinical development, and the projected sales of protein-based biologics.



Sources: Evaluate Pharma [April 2021], Evaluate Ltd. and company estimates

### Other market opportunities

Proteins are fundamental components of a wide variety of current or potential biological products. We believe our platform is applicable beyond the biopharmaceutical market, including into markets such as diagnostics, materials science, agriculture, industrial, animal health, cosmetics and synthetic food. While our initial focus is on the biopharmaceutical market, we recognize there are broad market opportunities in these additional industries, and we may pursue those opportunities in due course. For example, we currently have one program in animal health.

### Our Business Model and Partnerships

Our business model differs from the traditional biotechnology company model. As a technology development company, we generate biologic drug candidates and production cell lines for our partners to develop; we do not conduct or sponsor preclinical validation studies or clinical trials or seek regulatory approvals for drug candidates. Our business model is to establish partnerships with biopharmaceutical companies and use our Integrated Drug Creation Platform for rapid creation of next-generation biologic drug candidates and production cell lines.

We are invested in the clinical and commercial success of the product candidates generated for our partners using our Integrated Drug Creation Platform. We expect that our partnerships will provide us with the opportunity to participate in the future success of the biologics generated utilizing our platform, through potential clinical, regulatory and commercial milestone payments as well as royalties on net sales of approved products. We aim to assemble economic interests in a diversified portfolio of partners' next-generation biologics across multiple indications. We believe our business model is capital efficient as our partners fund our technology development work, and we do not invest in clinical development or scaled manufacturing infrastructure.

We structure our partnerships as technology development agreements (each molecule we address for Discovery or CLD is a "program") with options for our partners to license intellectual property rights to the biological assets we create after completion of the technology development phase. For the technology development phase, partners may (i) provide a target for discovery of a new next-generation biologic and/or Bionic Protein or novel scaffold, (ii) supply a specified lead drug candidate sequence for cell line development, or (iii) request a scope that falls somewhere in between (i) and (ii) with optimization of a lead candidate or set of candidates as the primary goal. Regardless of the scope, the biology we ultimately provide to our partners is a manufacturing-ready cell line expressing the new or partner-provided protein-of-interest. Historically, our technology development agreements contemplated the negotiation of license terms following completion of the technology development phase, reflecting our early strategy in the beginning stages of our commercialization efforts to validate our capabilities with our partners before agreeing to license terms. For most future partnerships, we expect to negotiate and agree to downstream economic terms of any license to our intellectual property rights before initiating the technology development phase. We anticipate that these technology development and license agreements may provide us with rights to receive payments upon the achievement of various clinical, regulatory and commercial milestones for the applicable product candidates, as well as royalties on net sales at least during the marketing exclusivity period of candidates approved for commercialization.

We currently have drug candidates in nine Active Programs (across seven current partners' preclinical or clinical pipelines) in which we have negotiated, or expect to negotiate upon completion of certain technology development activities, license agreements with potential downstream milestone payments and royalties. Eight of the Active Programs are CLD programs, and one is a Discovery program; reflecting the 2018 commercial launch of our CLD applications and our more recent December 2020 commercial launch of our initial Discovery applications, which are designed to enable discovery of next-generation biologics in the desired scaffold. Five of the eight CLD programs address preclinical candidates, and we have CLD programs for one Phase 1 candidate and one Phase 3 candidate, each of which is currently in clinical development using drug substance manufactured through other technologies. In addition, we have one animal health CLD program. Our current partners include Merck, Astellas, Alpha Cancer Technologies, and other undisclosed biotechnology companies.

We define Active Programs as programs that are subject to ongoing technology development activities intended to determine if the program can be pursued by our partner for future clinical development, as well as any program for which our partner obtains and maintains a license to our technology to advance the program after completion of the technology development phase. We expect to enter into license agreements for each of our Active Programs and, based on proposed terms we have set forth for four CLD programs to date, we anticipate that license terms for CLD programs will generally provide that we are eligible to receive various milestone payments and specify that we are eligible to receive royalty payments in a low-single digit range as a percentage of our partner's net product sales if the applicable product candidate is approved and commercialized. We continue to invest in our platform to bring additional value to our partners. In addition to the December 2020 launch of our initial Discovery applications, since January 2021, we have further enhanced our platform with our Bionic Protein nsAA capabilities, our Denovium AI integration, and our computational antibody and target discovery technology added through our acquisition of Totient. Accordingly, we expect that the financial terms of any potential license

agreements for our Discovery programs will reflect the enhanced benefits that our Discovery applications provide to our partners in comparison to our CLD applications. Our Active Programs include one ongoing Discovery program, for which potential license terms are yet-to-be-negotiated.

In addition to our nine Active Programs, we have also completed CLD technology development for 22 additional molecules. These historical programs were both internal research programs and technology development programs with third parties, and they were intended to demonstrate our platform's capabilities as we addressed successively broader ranges of biologics and next-generation modalities. We did not transfer technology or grant licenses related to these programs, and we anticipate no further revenue or other downstream payments.

The following table summarizes the biologic modalities for all of our current and historical programs, including our Active Programs:

Biologic Modality	# of Programs	
	Active Programs	All Programs
Bispecific mAb	1	1
Bispecific T-cell engager	2	3
Cytokine	1	2
Fab*	1	4
Multivalent Fc*-fusion	2	2
Plasma protein	1	1
mAb	1	4
Fc-fusion		3
scFv*-fusion		2
VHH*-fusion		2
Enzyme		2
Hormone		5
<b>Total</b>	<b>9</b>	<b>31</b>

\* Fab = antigen-binding fragment; Fc = crystallizable fragment; scFv = single-chain variable fragment;  
VHH = single variable domain on a heavy chain (nanobody)

## Commercial

Our commercial strategy centers on entering into technology development partnerships with companies involved in biologic drug development, with a focus on the biopharmaceutical industry. Our goal is to secure new partners and expand our relationships with existing partners by solving challenges they face in discovery and cell line development and by enabling creation of new biologic modalities. With initial success, we aim to increase the number of molecules with each partner, as well as expand the application of our platform across each partner's discovery and cell line development activities. For example, we initiated a CLD program in partnership with Astellas, to develop cell lines for certain of its MicAdaptor molecules. As we worked on technology development for those programs, our ongoing relationship led to discussions surrounding our emerging Discovery applications. Based on our success in creating high performance cell lines for manufacturing MicAdaptor candidates, we expanded the scope of our partnership with Astellas to include a lead optimization Discovery program to evaluate a collection of variants of their MicAbody molecules, in addition to creating cell line(s).

Our business strategy involves forming partnerships with biopharmaceutical companies of all sizes and enabling our partners to bring their ideas to fruition. We currently have a core business development team raising awareness of our platform within the biopharmaceutical industry and establishing adoption through partnerships. We are initially focusing our business development efforts on large pharmaceutical companies with the potential to create multi-program

opportunities, as well as biotechnology companies that are, or desire to be, leaders in next-generation biologics creation. We expect to partner with companies that are highly enabled and at the forefront of next-generation biologics but which may have had limited success due to technological challenges. We also expect to partner with companies that may have some presence in biologics but limited capabilities in novel biologic drug discovery and are looking to expand their pipelines. We also see opportunities to partner with focused biotechnology companies that are highly enabled with a biologics platform or multi-product pipeline but limited capabilities in drug discovery or cell line development. We expect these companies to seek access to our integrated platform to improve the quality of their lead drug candidates and enable development of scalable manufacturing cell lines to accelerate their development efforts and push the frontier of therapeutics.

We also have an alliance management team focused on supporting our successful partnership programs and grow our relationship with existing partners to include additional biologic candidates as well as expand to broader discovery programs. We believe that exceptional alliance management execution is critical to the success of our existing partnership programs and to transforming first-time partners into repeat and broad scope collaborators. We emphasize mutually beneficial partnerships through alignment of performance objectives, and we foster our partners as champions of our technology. We expect to expand our business development and alliance management teams significantly as we scale our business in the near term.

We expect to establish ourselves in the biopharmaceutical industry before considering additional opportunities, but in the future we may pursue expansion into other markets such as materials science, industrial chemicals, cosmetics, synthetic foods, and agriculture.

### **Our Growth Strategy**

Our goal is to establish our proprietary, end-to-end platform as the industry standard for biologic drug discovery and cell line development. We are laying the groundwork for integration into our partners' discovery organizations, with the goal to be the *de facto* starting point for new drug creation. Our growth strategy is to:

- **Establish new partnerships to create biologic drug candidates.** We believe that our platform has a clear and differentiated value proposition for biologic drug discovery and cell line development. We have been successful in attracting initial partners, and we are continuing to expand our capabilities and enhance our platform to offer an even more powerful integrated solution. Given the increasing level of biopharmaceutical industry interest in creating novel biologics, we believe there is a large untapped market of potential partners ranging from traditional large pharmaceutical companies to emerging biotechnology innovators who can realize benefits from our platform. We believe that we offer a way to transcend the discovery and production challenges faced by the many companies that are investing in developing innovative new protein-based medicines. As we continue to establish our platform as the go-to solution for biologic drug creation, we expect to continue to attract new partners. We employ a business development team focused on raising awareness of our capabilities and establishing new partnerships.
- **Increase the number of molecules on which we work with our existing partners.** We believe that achieving technical success with an existing partner's drug candidate is the best proof of concept, and we intend to leverage those successes to expand our existing partnerships to address additional molecules in our partners' respective pipelines. Partners may have a unique scaffold upon which they build successive drug candidates, hence pursuing additional programs based on the same scaffold is a clear opportunity for expanding existing partnerships. Regardless of modality, we expect to generate additional business from existing partners as they experience firsthand the success and efficiency of our platform. Our alliance management team is focused on supporting our partnership success and growing the number of molecules on which work with our partners.

- Expand the scope of our partnerships across the biologic drug discovery and cell line development value chain.** We launched our Cell Line Development applications in 2018 and our initial Discovery applications in December 2020. Our goal is to expand our partnerships to apply a broader set of our platform capabilities, including both Discovery and Cell Line Development. Because we launched our Cell Line Development applications first, we have historically initiated our partnerships with CLD programs for lead drug candidates that have proven challenging to produce. CLD program partners often become interested in our Discovery applications, which include novel target identification, lead optimization, *de novo* discovery, Bionic Protein creation (nsAA incorporation), human antibody discovery, and the enablement of novel scaffold designs that could spawn new modalities. We look to expand the scope of partnerships to address additional classes of molecules, thereby presenting additional milestone and royalty opportunities. We intend to continue to invest in growing our platform's capabilities and aim to expand our applications to offer even more comprehensive solutions for our partners.
- Create new biologic modalities and novel conjugates with "Bionic Proteins" that incorporate nsAAs.** We aim to use our platform to pursue a wide range of applications and to enable the creation of new drug modalities and previously inaccessible conjugates. To achieve this, we introduce customized machinery into our Bionic SoluPro strain that empowers it to incorporate nsAAs at specified locations in proteins. We can create entirely new drug modalities and assemble previously inaccessible conjugates using straightforward chemistry in combination with the nsAA incorporation. We expect to apply this differentiated capability repeatedly across numerous programs to add substantial value to our partners' discovery and development processes.
- Grow our platform through R&D and strategic acquisitions.** We intend to continue innovating and extending avenues for creating better new biologics and cell lines at a faster pace. Near term, we are investing in research and development activities to refine our nsAA incorporation, *de novo* discovery, and purification technologies to enable targeted chemical modifications and conjugations in a homogenous manner. With our acquisition of Totient, and the addition of computational antibody and target discovery technology, we expect to engage with partners seeking differentiated disease-specific discovery opportunities for biologics development. We are also integrating our recently-acquired Denovium Engine deep learning artificial intelligence across our technologies, and we are driving toward a future in which the Denovium Engine understands the relevant drug and cell line determinants so comprehensively that its models can predict what we believe is the best scaffold and drug sequence as well as cell line design for any given target, without screening. This would be the realization of our vision of *de novo* drug creation *in silico*. We also intend to pursue opportunities for expanding our platform using AI as well as other technologies that we may develop or acquire. Biological validation technologies, preclinical evaluation models, and downstream protein purification technologies are all potential areas of strategic interest that could further enhance our value proposition to partners and provide us with important insights to steer our internal efforts.
- Create proprietary biologic assets.** We anticipate that in the future, we may selectively create our own lead drug candidates and advance them through preclinical validation and cGMP manufacturing scale-up. In such cases we may out-license IND-ready candidates for clinical advancement by a partner, with the expectation of more share in the economics relative to the milestones and royalties we may secure for our core platform technology development licenses.
- Leverage our platform to address market opportunities outside of biopharmaceuticals.** Although we are currently focused on the biopharmaceuticals markets and we intend to maintain this focus in the near term, we believe our platform has the foundational technology and capabilities in place to capitalize on the opportunity to



create proteins of value in many other industries. Such potential target applications include materials science, industrial chemicals, cosmetics, synthetic foods, and agriculture. Over the longer term, we may create new biological tools and designer enzymes that lead to applications spanning, but not limited to, bioremediation solutions, bioprocessing achievements, organic agricultural advances, and cost-effective protein-based consumables.

## Competition

The market for technologies that enable biopharmaceutical research and development, such as ours, is global, characterized by intense competition and subject to significant intellectual property barriers. The solutions and applications offered by our competitors vary in size, breadth, and scope, and we face competition from many different sources. Due to the significant interest and growth in biopharmaceutical research and development more broadly, we expect the intensity of this competition to increase.

We do not believe there are any other commercially available solutions that enable high-throughput screening of next-generation biologic drug variants in the assembled scaffold in the production cell line. Moreover, we are not aware of technologies that allow for efficient discovery of full length next-generation protein based therapeutics. We are aware of potential competitors addressing certain steps in the target identification, biologic drug discovery, and cell line development processes or adjacent aspects of the broad process, including:

- in the field of novel target identification, we may face competition from academic, pharmaceutical, and biotechnology research initiatives, as well as companies focused on novel methods for target identification, including Insitro, Inc., TScan Therapeutics, Inc., and 3T Biosciences, Inc.;
- in the field of AI-guided drug design and discovery, we may face competition from companies designing novel proteins such as Generate Biopharma, as well as adjacent technology companies pursuing small molecule design such as Schrodinger, Inc., Recursion Pharmaceuticals, Inc., Relay Therapeutics, Inc., and Exscientia Limited;
- in the field of scaffold design and drug platform development, we may face competition from pharmaceutical and biotechnology companies developing novel biologic modalities including Amgen Inc., Crescendo Bioscience, Inc. and Harpoon Therapeutics, Inc., among others;
- in the field of novel human/humanized antibody discovery, we may face competition from companies such as AbCellera Biologics Inc. and Adimab LLC;
- in the field of non-standard amino acid protein engineering, we may face competition from companies such as Ambrx Inc. and Sutro Biopharma, Inc. (Sutro); and
- in the field of cell line generation and single-cell screening, we may face competition from service providers, such as Lonza Group AG and Selexis SA, companies offering instrumentation, such as Berkeley Lights Inc., and companies with alternative protein production systems, such as Sutro.

In addition, we are aware of other synthetic biology companies focused on developing various custom cell lines in a variety of model organisms for biomanufacturing of molecules relevant to other industries. These companies, which include Ginkgo Bioworks, Inc. and Zymergen Inc., may in the future pursue biopharmaceutical applications of their platforms that could compete with our technologies.

Our target partners may also elect to develop their own processes on legacy systems, use in house solutions, or use traditional methods, rather than implementing our platform and may decide to stop using our platform. In addition, there are many large established players in the life science

technology market that we do not currently compete with but that could develop systems, tools or other products that will compete with us in the future. These large established companies have substantially greater financial and other resources than us, including larger research and development staff or more established marketing and sales forces.

For a discussion of the risks we face relating to competition, see “Risk Factors—Risks Related to our Business and Strategy—The biopharmaceutical platform technology market is highly competitive, and if we cannot compete successfully with our competitors, we may be unable to increase or sustain our revenue, or sustain profitability.”

### **Our Foundational Technologies**

The foundational technologies that synergize to make our Integrated Drug Creation Platform and its applications possible are:

- our bioengineered *E. coli* SoluPro & Bionic SoluPro strains as the host organisms for protein synthesis;
- our Custom Scaffold Library generation methods for designing protein-of-interest variants including Bionic Proteins;
- our Folding & Expressions Solutions toolkit for cell line customization;
- our Breakthrough Assays for high-throughput single cell assessment of protein function, quality, and titer;
- our Denovium Engine deep learning AI technology for harnessing our data to inform *in silico* design; and
- our Computational Antibody & Target Discovery technology for identifying novel disease- and tissue-specific human monoclonal antibodies and corresponding antigens.

These technologies are described below.

#### ***SoluPro & Bionic SoluPro***

In contrast to the vast majority of the bioproduction industry which largely relies on Chinese hamster ovary (CHO) cells, we have chosen *E. coli* as our host organism. *E. coli* grows faster, at higher cell density, and at lower cost than mammalian or other eukaryotic systems. In addition, because it is not a mammalian cell, it is incapable of propagating mammalian viruses that might infect humans, thereby increasing the safety of the production process and enabling us to sidestep costly and time-consuming viral clearance and testing steps. *E. coli* was successfully used at the dawn of biotechnology for manufacturing insulin and other relatively simple proteins. Since then, *E. coli* has been largely displaced for therapeutic protein production because it was not a viable system for manufacturing complex mammalian proteins such as monoclonal antibodies; it is still used today for production of insulin, growth hormones, and a handful of other biologics. Using the tools of synthetic biology and metabolic engineering, we have heavily modified our *E. coli* SoluPro to be able to produce complex biologic proteins in an efficient and cost-effective manner.

#### ***Strain engineering***

We have engineered our SoluPro strain of *E. coli* to be more capable of synthesizing properly folded mammalian proteins. Using a synthetic biology approach, we have introduced modifications that render the cytoplasm of SoluPro more highly oxidized than the standard (wild type) *E. coli* which facilitates folding and allows formation of the disulfide bonds that typify mammalian proteins. We accomplished this through metabolic engineering of pathways involved in redox chemistry in the cell. Additional metabolic engineering was employed to ensure that protein production is

accomplished in a uniform and dose-dependent manner across the population via low-cost chemical inducers.

To make our Bionic Proteins that incorporate nsAAs, we further engineered a version of SoluPro to facilitate site-specific incorporation of nsAAs into proteins it produces. We engineer a signal into the gene encoding the drug candidate that directs incorporation of a nsAA into the growing protein chain in a site-specific manner. In concert, we use our synthetic biology approach to introduce customized machinery into our SoluPro strain to enable it to mechanistically accomplish the nsAA incorporation. Ultimately, a Bionic Protein's nsAA handle is designed to enable targeted chemical modifications including glycosylation, PEGylation, ADC-payload conjugation, and novel branched proteins and chemical conjugates.

The genetic modifications we make to customize SoluPro for each program we work on are accomplished primarily through extra-genomic elements contained on a small, self-replicating circular DNA molecule called a plasmid. Plasmids can contain coding sequences and regulatory elements for a handful of proteins, and *E. coli* readily accepts the plasmid and expresses proteins encoded by it as well as replicating the plasmid itself in the cytoplasm of the cell without incorporating it into the genomic DNA of the SoluPro strain. Thus, the SoluPro strain is the factory, but the actual instructions for what protein will come off the assembly line are contained in the plasmid. Plasmids are widely used in biologics production and are currently employed in FDA-approved *E. coli* processes like the production of insulin. We engineer the DNA sequence(s) for the desired protein into the plasmid architecture we designed, which includes inducible promoters that essentially offer independent rheostats for increasing or decreasing the amount of each protein encoded. This way we can fine-tune the optimal ratio of protein subunits to achieve high yields of complex multi-subunit proteins.

Our plasmids are designed with a modular architecture to enable rapid assembly of combinatorial plasmid libraries, where we can incorporate our libraries of genetic parts that are known to affect protein expression and folding (e.g., ribosome binding site libraries that affect protein production rates and molecular chaperone libraries composed of proteins that we co-express with the desired protein to assist with folding and solubility). This modular approach allows us to construct millions-to-billions of genetically unique plasmids in a single assembly reaction, with each plasmid encoding a discrete solution to the production of the protein-of-interest.

#### *Considerations for protein manufacturing in E. coli*

**Authentic N-terminus:** Our *E. coli* SoluPro and Bionic SoluPro strains are uniquely capable of producing proteins with any desired N-terminal residue. For example, partners who are interested in switching from a CHO platform to our *E. coli* platform are able to do so while maintaining the authentic N-terminal amino acid present in the CHO produced drug. Protein synthesis in other *E. coli* platforms includes incorporation of a methionine at the N-terminus of the drug sequence, which is removed in the SoluPro platform.

**Cytoplasm vs. secretion.** Monoclonal antibody production in CHO cells relies on secretion mechanisms; the cells synthesize the proteins into small cellular envelopes and eject the contents to the outside of the cell. This means that the protein being made is subjected not only to the intracellular environment, but also to the external media where the molecules are susceptible to chemical modification. In addition, the production process requires a cascade of intracellular events involving secretion machinery to execute. This can prove to be a bottleneck in production and limit protein size, as well as the titers achievable when challenging the cells to synthesize so much of one particular protein. In contrast, SoluPro produces proteins entirely in its cytoplasm, where they remain until harvested. This simplifies the process, and the cells tolerate the protein well and grow to high densities with short doubling times.

**Disulfide bonds:** Spontaneous folding, disulfide bond formation, and quaternary structure are accomplished in the semi-oxidized cytoplasm with exquisite control of expression levels and ratios.

We have demonstrated comparable disulfide bond characteristics to the reference material produced in mammalian systems by disulfide mapping via LC-MS.

*Glycosylation:* Our system produces aglycosylated proteins, which we believe in most cases is an advantage over mammalian systems, where glycosylation can be heterogeneous and difficult to characterize. For antibodies or next-generation biologics that do not require glycosylation for activity, the lack of glycosylation in the SoluPro platform has the potential to simplify characterization, increase quality, and decrease analytical development time. A small subset of biologics, among them monoclonal antibodies based on IgG1 scaffolds, rely on the presence of a particular glycan group for optimal effector function. We are developing our Bionic Protein technologies for nsAA incorporation to offer sites for highly uniform and targeted chemical modifications and conjugation, including glycosylation.

*Phosphorylation:* We have not produced any phosphorylated proteins to date, as the common therapeutic scaffolds do not require any phosphorylations. Were our partners to ask us to design phosphoprotein production strains, we could leverage our nsAA technology to incorporate phosphorylated amino acids directly during synthesis.

*Fermentation methods:* After isolating high-performing strains using our proprietary assays, we evaluate strains in fermentation. Our fermentation suite includes high-throughput ambr systems of 15 mL and 250 mL scale for strain evaluation. Our fed-batch fermentation processes are designed for excellent scalability to a cGMP manufacturing facility. Specifically, the oxygen uptake rate (OTR) is constrained at 250 mmol/L/hr to ensure similar fermentation performance upon scale-up to cGMP fermenters. Our fermentation group also performs initial upstream process screening, where media components, induction strategy, and other parameters are optimized for maximum titer and productivity using a Design of Experiment approach (DoE). Because the SoluPro fermentations are short (on the order of 48 hours), we are able to complete a thorough strain screening and fermentation process optimization in days, versus a much longer development time for a CHO based platform.

*Protein purification:* To purify proteins from SoluPro, cells must first be lysed by mechanical homogenization. Following lysis, the desired protein is typically purified by a 2 to 3-stage chromatography process. These processes are well developed, having been in use in FDA-approved processes since the early 1980s. We do not currently employ any proprietary purification technologies, thereby making technology transfer straightforward.

*Endotoxin:* As a gram-negative microbe, *E. coli* contains lipopolysaccharide (LPS) molecules in the membrane of the cell. These LPS molecules (endotoxin) trigger an immune response (from mild to severe depending on dosage) when introduced into the bloodstream. As a result of this, endotoxin clearance and monitoring is essential for molecules produced in *E. coli*. Mammalian systems like CHO do not produce endotoxins and therefore do not require endotoxin monitoring or clearance. Fortunately, biopharmaceuticals have been produced in *E. coli* for decades (and many, like insulin, continue to be produced in *E. coli* today), and the technologies for monitoring and clearing endotoxin are mature and routine.

*Viral clearance:* CHO cells are evolutionarily very similar to human cells and therefore are capable of being infected by and passaging diseases that are dangerous to humans. Because of this, drug products produced in CHO cells are subject to a time- and cost-intensive process of viral clearance. Because *E. coli* is from an entirely different domain of life compared to mammalian cells, and as a result is incapable of harboring or being infected by human diseases, this process is not required in *E. coli*.

*Analytics:* To generate purified material for evaluation by our partners, we use standard 2 to 3-step chromatography process to purify small batches of protein-of-interest from the selected strains. If larger batches of material are required, we have multiple 30 L fermenters onsite to support material generation. An analytics package is generated for the purified material using (if relevant) a

partner's provided drug substance as a standard for comparison. Typical analytics include assessment of content by A280 absorbance, identity by peptide mapping (liquid chromatography with tandem mass spectrometry; LC-MS/MS), purity by electrophoretic methods (capillary electrophoresis sodium dodecyl sulfate (CE-SDS) and sodium dodecyl sulfate-polyacrylamide gel electrophoresis /SDS-PAGE), analytical size exclusion chromatography (SEC) and reverse phase chromatography, and characterization by intact mass (via liquid chromatography mass spectrometry; LC-MS) and peptide mapping to confirm disulfide bond formation (by LC-MS).

**Scale-up:** Once a fermentation process is defined, the lead producing SoluPro strain is scaled up further in our 30 L stainless steel fermenters. We consistently demonstrate that similar titers, ODs, and productivities observed at 250 mL fermentation scale are readily reproduced upon scale-up to 30 L fermentation scale. Furthermore, the fermentation media and processes we design can be seamlessly transferred to a CMO for cGMP manufacturing. For example, we have performed an internal program to demonstrate scalability of a SoluPro strain producing an antibody fragment (Fab). We developed a SoluPro strain capable of producing Fab at > 4 g/L in a 2-day process and achieved similar titers at both 250 mL and 30 L scale at our facility. We transferred the SoluPro strain, fermentation media, and fermentation processes to a CDMO for fermentation in their 30 L and 300 L single-use fermenters (SUF). At both the SUF scales, the Fab was produced at a similar high-titer (> 4 g/L), high-cell density (> 180 OD600), and high-productivity (2 g/L/day). We effected the technology transfer of the strain and fermentation process without the need for any additional development by the CDMO.

**Technology transfer:** During Technology Transfer, we generate and provide all necessary materials and documentation to our partners for high-titer cGMP manufacturing of their drug in SoluPro. We generate a Research Cell Bank (RCB) for the lead producing *E. coli* SoluPro strain and outsource the necessary post-bank bacteriophage, identity, and purity testing of the strain. We issue a Statement of Testing (SoT) summarizing that the RCB has satisfied all post-bank testing. We also generate a BSE/TSE Statement to certify that the RCB is manufactured completely from animal origin free raw materials. Our team generates all technology transfer protocol documentation for the upstream processes that includes information related to equipment, processes instructions, parameters, operational ranges, and media/solution preparation.

**cGMP-readiness:** After Technology Transfer of the RCB and upstream process documentation to our partner, their CDMO of choice, or one of our preferred CDMOs, additional development activities are initiated by the manufacturing facility and culminate in cGMP produced bulk drug substance. As described earlier, we transfer the high-titer manufacturing cell line and upstream process information, where no additional strain optimization and no to minimal additional upstream optimization is required. Once the RCB is received, the CDMO is responsible for generation of the Master Cell Bank to be used in preparation of the cGMP bulk drug substance. Prior to cGMP bulk drug substance preparation, the CDMO performs additional process development, as needed, including but not limited to further upstream process optimization, downstream process optimization, analytical method development and qualification, and formulation development. In addition to successfully transferring in upstream processes to a CDMO, we have also transferred downstream process conditions and analytical methods.

**Productivity:** *E. coli* is a microorganism that grows quickly and robustly in a laboratory context (these were the features that led to *E. coli*'s wide adoption as a model organism in the 1800s). Our *E. coli* SoluPro strain is a robust manufacturing cell line; we have routinely observed high-titer (4 g/L for full-length antibodies and next-generation biologics), high-cell density (200 OD600), and high-productivity (2 g/L/day per day for a 48-hour fermentation process). While CHO platforms may demonstrate similar absolute titers of 4 g/L, the daily productivities are much higher for SoluPro vs. CHO systems (2 g/L/day vs 0.3 g/L/day) due to the shorter run times with *E. coli* (1-2.5 days vs. 10-14 days for CHO). We believe this higher productivity reduces the plant runtimes, which has the potential to accelerate production timelines and reduce operating expense. Furthermore, *E. coli* grows robustly on simple nutrient broths versus the complex nutrient formulations and apparatus

required for CHO cell growth. Cost of goods (COGSs) modeling conducted in collaboration with a prospective partner suggests that SoluPro has the potential to reduce antibody drug substance production costs by approximately 50%.

### ***Custom Scaffold Libraries***

We can design and generate billions of drug candidate sequence variants for each Discovery program. Our platform creates libraries in any scaffold our partner specifies, whether natural, pre-existing, or newly invented. These drug candidate sequence libraries are custom because they are specifically generated for each program and scaffold. Furthermore, we anticipate that our AI predictions and ability to generate libraries in any given scaffold allow us to consider relevant variants that nature has not yet evolved. We can also specify nsAA incorporation sites as we design these libraries.

To discover novel drugs for any given target we have developed methods for generating large populations of our SoluPro cells each expressing a distinct drug sequence variant, as well as Bionic Protein technology for site-directed incorporation of nsAAs. We construct our plasmids incorporating modular parts libraries and the target gene(s) of interest using modern DNA assembly tools that allow us to rapidly and efficiently assemble up to billions of unique plasmids in a single test tube in a combinatorial fashion. The composition of “parts” and library diversity can be tailored for each project. If we are screening a library where variation is incorporated into the protein-of-interest sequence itself (e.g., for Discovery applications) diversity can be introduced using rational (i.e., constraining the diversity of CDR regions to a library with defined sequence composition) or random (e.g., mutagenic approaches like error-prone PCR) methods. If we are taking an unbiased approach, we will usually build and screen up to ten or more library designs per project, covering on the order of 100 million unique genetic solutions. As our Denovium Engine increasingly contributes predictions about optimal molecule, plasmid, or library design, synthetic DNA approaches can be used to synthesize the desired sequences.

### ***Folding & Expression Solutions***

Because each protein has distinct characteristics when it comes to manufacturability, we have curated a diverse collection of modular genetic parts that impact protein expression and folding which are incorporated as combinatorial libraries to our SoluPro populations in an effort to optimize protein production. The base SoluPro strain was good at making the initial monoclonal antibodies we worked on, but as we tested the system in evaluation studies to produce a variety of other types of proteins, we found each protein had its own distinct characteristics when it came to the preferences and conditions for optimal production. We developed an extensive library of genetic elements we call folding and expression solutions that we can mix and match to optimize SoluPro for each different protein. These modular genetic “parts” include chaperone proteins (a class of proteins that help other proteins fold), ribosomal binding sites (which alter translation rates), and codon preferences. These can be combined in various ways like building blocks in the same plasmid containing the gene(s) for the protein we are producing. Thus, the SoluPro or Bionic SoluPro chassis remains the same across all of our projects, but each cell line has a different plasmid that contains not only the gene(s) encoding the protein for production, but also the particular set and arrangement of folding and expression solutions that enable its optimal production.

### ***Breakthrough Assays***

To evaluate the billions of drug sequence and folding solutions variants we generate, we have developed revolutionary new high-throughput assays. With these methods, we are able to efficiently screen billions of discrete strains and identify those that express the protein-of-interest with the desired functional, quality, and manufacturability characteristics.

Using synthetic biology tools and approaches, we may create billions of different plasmids for each project, with the gene(s) of interest plus an assortment of folding and expression solutions in

various configurations. This so-called “library” approach enables us to evaluate the population of SoluPro cells to find the sequences and solutions that work best for the given protein. With billions of plasmids introduced into a batch of SoluPro cells, we create a batch of billions of cells each with a distinct plasmid and therefore a different potential to produce the protein-of-interest. To evaluate and select the subset that are the most promising for further analysis, we have developed a breakthrough high-throughput assay we call our ACE Assay.

*ACE Assay:* Our screening step employs our ACE Assay. For the ACE Assay we introduce fluorescently-labeled target proteins (e.g., the antigen against which we are trying to develop a drug) and use fluorescence activated cell sorting (FACS) to evaluate and sort each cell based on how brightly it fluoresces. Using proprietary methods, we correlate the fluorescent signal with the quantity, quality, and function of the protein-of-interest, and thus we can utilize the ACE Assay to characterize billions of independent strains and collect the desired variants based on the parameters we set. In this way we are quickly able to identify what we believe is the most promising subset of cells from among millions or billions. We are also generating billions of data points describing sequence modifications and combinations of folding solutions contributing to affinity, stability, solubility, and manufacturability that we use to train our Denovium Engine deep learning model.

*HiPrBind Assay:* As our selection step, we grow up ACE Assay isolates as unique clones in separate wells of micro-well plates. This allows us to evaluate each strain in isolation using our High-Throughput Proximity Binding (HiPrBind) Assay. The assay is a solution phase assay that operates on similar principles to ELISA and can be used to quantify the amount of functionally desirable and properly folded full-length protein for each strain. Our proprietary techniques are designed to allow us to discriminate between full length properly folded protein and any other improperly folded or incomplete product-related impurities, in a fully quantitative manner. Thus, we select the top dozen or so highest producing cell lines for further analytics and fermentation optimization, and again collect the data for training the Denovium Engine models.

### ***Denovium Engine Deep Learning AI***

For each protein we address, we generate datasets correlating sequence variants and folding solutions with modulation of protein function, quality, and manufacturability. We are using deep learning to harness these data to train models which can optimize desired therapeutic and manufacturability attributes *in silico*.

The Denovium Engine is an artificial intelligence that understands the fundamental properties of protein function. Trained on more than 100 million proteins, the Denovium Engine includes highly comprehensive deep learning models for protein function. Using a multi-task deep learning approach, our models can predict protein function directly from DNA or amino acid sequence in one single step. Importantly, our approach does not require a crystal structure and can take advantage of other protein properties that are also important for determining protein function, including solubility, stability, ability to be expressed in a particular host, and immunogenicity among other properties (including structure). Thus, our approach is distinct from AI protein design approaches that focus solely on modeling for structural prediction. Importantly, our functional deep learning approach allows us to design and optimize for multiple traits at a time.

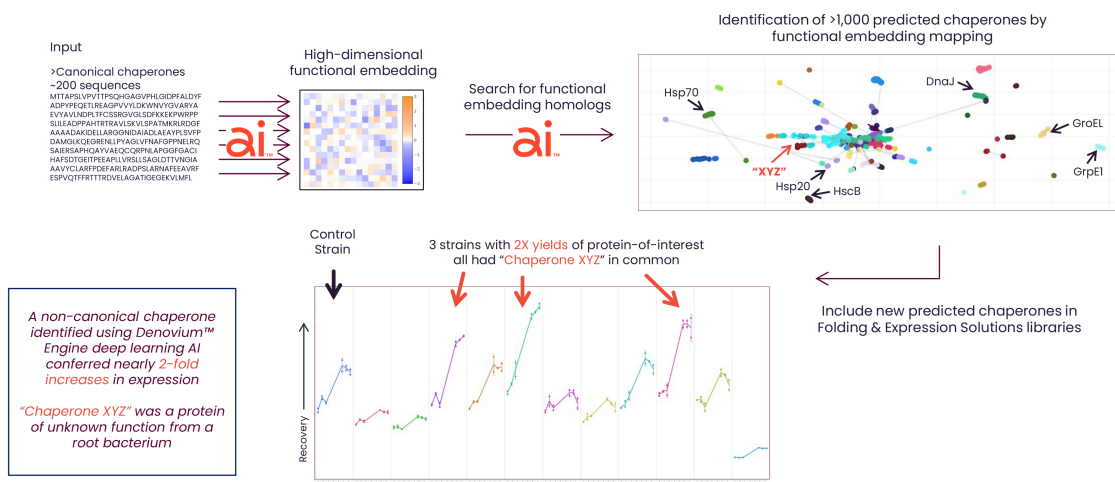
*About deep learning:* Deep learning is a branch of machine learning which is characterized by the use of deep neural network models. For many complex real-world problems, these models have been shown to outperform traditional modeling approaches in terms of accuracy, generalizability, and operational speed. One key to their success is the ability of deep neural networks to identify rich patterns, known as features, directly from the data and with minimal influence from human experts. Advanced model architectures and regularization techniques have also demonstrated increasing performance with larger models, contrary to the trends of most other machine learning approaches. This combination of self-improvement and scalability has proved to be transformational for many problems and modern AI can now perform at superhuman levels for

tasks which have long been challenging for computers, such as image recognition and language translation.

**About the Denovium Engine:** The Denovium Engine is designed to simplify the process of solving deep learning challenges in biology. This includes collecting and processing data, finding optimal model architectures, training models on diverse data types, deploying them at scale, and applying them to solve problems in novel ways. The Denovium Engine was used to develop two key models, one for protein sequences and one for DNA sequences. The protein model was trained on more than 100 million protein sequences and turns primary amino-acid sequences into rich embedding vectors. The embeddings are tied directly to supervised and unsupervised tasks and allow for the rapid annotation of proteins using an ontology of over 700-thousand classes from more than 25 categories, including sequence similarity, folding structure, and function. The engine can also use embedding representations to rapidly search for novel proteins, even if they are previously unannotated. The Denovium Engine was also used to develop a DNA model which ties DNA sequences directly to function. This includes the simultaneous identification of both protein-coding and functional non-coding regions. In addition to finding these regions, the model predicts their function by tying directly into the protein model and a non-coding RNA model. This integration allows for the extremely rapid and rich analysis of genomes and metagenomes.

The rich embedding space representations produced by the protein and DNA models allow for deep transfer-learning to novel problems of interest. Laboratory data can be modeled in these spaces without the need to train a new deep learning model and with dramatically fewer examples. Such novel predictors can be combined with built-in generative tools for the engineering of sequences for desired properties. Any combination of the trained ontologies as well as any laboratory data of interest can be used to guide sequence engineering efforts. The model can also explain the importance of mutations in human terms through the mapping from embedding space to the laboratory data and ontologies.

**Deep learning at Absci:** Deep learning and AI can only be as useful as the data it is founded upon. Our Integrated Drug Creation Platform is designed to generate large, diverse, and high-quality data that we believe to be particularly relevant for training models and improving the pace of biologic drug discovery and production. The near-term potential of this opportunity is to inform our cell line designs. This includes identifying novel chaperones and other key elements which will be tailored to the rapid expression and quality folding of the target protein. Success in this area could take our already rapid process and reduce or even eliminate the laboratory strain selection process. This could reliably reduce the time for developing strains for producing novel therapeutics. An example of how the Denovium Engine insights can be harnessed into practical solutions is depicted below.





To identify novel chaperones with the potential to confer protein folding and expression advantages, the Denovium Engine was fed ~200 sequences of known chaperones. With functional embedding homology clustering, it identified over 1000 novel potential chaperones. Upon including a selection of new predicted chaperones in our constructs, three strains that produced the protein-of-interest with higher yields all had "Chaperone XYZ," a protein of unknown function from a root bacterium, in common. There was no apparent sequence homology between "Chaperone XYZ" and known chaperones.

We are also investing in using the Denovium Engine for drug discovery. At first this will take advantage of sequence engineering and generative AI for improving the affinity, manufacturability, and/or immunogenicity profiles of promising candidates. As this technology develops, the quality of the starting candidate will matter less and may eventually not be needed at all. When combined with the AI-guided cell line design, we expect to be positioned to design proteins and cell lines principally *in silico*, followed by rapid construction and confirmation activities that could be accomplished in a matter of days.

### **Computational Antibody & Target Discovery**

Through our acquisition of Totient, our Integrated Drug Creation Platform now includes the potential for our partners to work with us to address novel disease targets and access new fully human monoclonal antibody sequences either as therapeutics in their own rights, or as starting points for design of next-generation biologics in other scaffolds. Our bioinformatics approach allows us to infer antibody sequences from tissue RNA, and we use those sequences to identify target antigens.

*Antibody discovery (sequence reconstruction):* We reconstruct human antibodies from standard RNA-seq of whole tumor tissue. This allows us to retrospectively pick patients with distinct immune responses and assemble the most prevalent monoclonal antibodies expressed in the tissues of interest and presumed to be contributing to the immune response. Our methods do not require isolation of single immune cells or processing of fresh tumor tissues. Instead we can work with RNA-seq data we generate from banked tissue samples, including older formalin-fixed paraffin-embedded (FFPE) archival specimens, that have been collected by academic consortia, clinical trials, and commercial biobanks. Thus we have the opportunity to direct our technology toward curated source tissues selected for desired disease and therapeutic response profiles.

To assemble antibody sequences from RNA-seq we have developed computational pipelines incorporating proprietary algorithms and built our own software suite. Our antibody selection pipeline includes five elements: extraction of immunoglobulin reads and contamination filtering; sequence assembly; immunoglobulin chain identification and annotation; chain abundance quantification; and pairing and prioritization. The ultimate prioritization step leverages a rule-based system to pair and prioritize high-quality candidates both within and across samples, using a variety of input information including chain abundance and clonality metrics as well as markers of immune activation such as plasma cell abundance and tertiary lymphoid structures gene expression signatures. We reconstruct a portion of the clonal lineage tree around both chains of the selected antibody which allows us to evaluate naturally-occurring sequence variations to identify fully human sequence variants with the best developability.

*Target discovery (de-orphaning):* Prior to the acquisition, Totient relied on several third party protein array services to de-orphan its assembled antibody sequences. These approaches are limited to evaluating one antibody at a time. One of the important initiatives we are pursuing as we integrate the Totient technology is adapting our ACE Assay to potentially enable comprehensive high-throughput de-orphaning of computationally assembled antibodies. We anticipate constructing libraries of prospective antigens and peptides deeply covering the human proteome, with intentional representation across subcellular localizations including membrane and secreted proteins, as well as isoforms and fusion proteins particular to specific developmental and disease states. With this approach we believe we will be able to rapidly identify highly specific antigens for most of the computationally derived antibody sequences, and expand a growing collection of proprietary disease-relevant human antibody-antigen pairs. Training our Denovium Engine deep learning on de-orphaning assay data may also yield models that predict antibody-antigen matching,

enable *in silico* epitope mapping, and understand parameters of protein-protein interactions more broadly.

To date, we have analyzed millions of complementarity-determining regions (CDRs) from more than 50,000 patients and computationally assembled over 4,500 human monoclonal antibodies obtained from those patients experiencing exceptional immune responses. Predating the acquisition, Totient had synthesized, expressed and purified roughly ten percent of these antibodies, and subjected a subset of those to further characterization and de-orphaning to identify target antigens. Among roughly 100 putative oncology antibody-antigen pairs identified through protein array analyses, 30 pairs were selected for further characterization and 19 of these were confirmed as binding partners via surface plasmon resonance. Confirmed targets recognized by our *in silico* paired antibodies include seven well known cancer specific antigens (NY-ESO-1, MAGEA3, GAGE2A, DLL3) and immunomodulatory molecules expressed in the tumor microenvironment (ANXA1, TGFBI, C4BPB), as well as several novel potential drug target antigens. The identification of well-known drug targets with this methodology serves as a proof of concept for the potential of this approach using computationally-derived antibody sequences to determine relevant antigens for future drug discovery applications. Some of the work we have done is summarized in a manuscript entitled “The landscape of high-affinity human antibodies against intratumoral antigens” (bioRxiv 2021, doi.org/10.1101/2021.02.06.430058).

We expect to continue to evaluate patient tissue samples and extract new antibody sequences that we subsequently de-orphan. We may source specimens of interest to a particular partner, or work directly with RNA-seq data supplied by a partner. While to date we have tuned our pipeline for reconstruction of antibody sequences, the methodology is extensible to assembly of other proteins expressed differentially in disease tissues, particularly immune system components that conform to conserved architectures. We expect to reconstruct human T-cell receptor sequences, for example, and de-orphan them taking a similar approach as we develop for antibodies.

Beyond the direct utility of novel antigens we identify as potential drug targets, and of human antibodies we discover as drug candidates, we believe that the expertise we accumulate as we build our collection of antibody-antigen pairs has the potential for much more profound impact. Protein-protein interactions are highly complex and multi-parametric. Deep learning neural networks are ideally suited to tackling this sort of complexity. Through the de-orphaning process we expect to generate large datasets that describe sequence determinants of functional interactions between proteins. Training our Denovium Engine models on these data may enable us to hone our predictions of relevant drug sequence variants to design for a given target, or even allow us to identify novel targets *in silico* from computationally assembled antibody sequences. Eventually we are driving toward a future in which our AI models enable us to identify novel disease-specific targets and design optimized lead drugs and cell lines to manufacture them all at the click of a button. The COVID19 mRNA vaccines have demonstrated the power of using well-understood rules of genetic coding to shortcut discovery timelines. We believe that deep learning models trained on the right data have the potential to develop comprehensive understanding of biologic drug function and target specificity, and thus transform the protein therapeutic discovery process to a similar magnitude. We intend to generate the right data, train the comprehensive models, and realize this industry-transforming potential of *in silico* drug creation. Our goal is to get the best possible medicines to patients more quickly than ever before.

### **Intellectual Property**

We use a variety of intellectual property protection strategies, including patents, trademarks, trade secrets and other methods of protecting proprietary information. Our success depends in part on our ability to obtain and maintain intellectual property protection for the components of our Integrated Drug Creation Platform; to defend and enforce our patents, to preserve the confidentiality of our trade secrets; to operate without infringing valid and enforceable patents and

other proprietary rights of third parties and to identify new opportunities for intellectual property protection.

As of June 4, 2021, we own 35 issued or allowed patents and 48 pending patent applications worldwide, which includes four issued U.S. patents and 11 pending U.S. patent applications. We also have issued patents in the EU, Australia, Japan, Brazil, Canada, China, Hong Kong, Israel, Mexico, and Republic of Korea. Our patents and patent applications, if issued, are expected to expire between August 2033 and February 2041, in each case without taking into account any possible patent term adjustments or extensions and assuming payment of all appropriate maintenance, renewal, annuity, or other governmental fees.

Our patents and patent applications include the following:

Patent Portfolio	General Description of Subject Matter	Issued Patents	Pending Applications	Type of Protection
SoluPro	Host cells, Expression vectors, methods of producing products of interest	4 U.S. patents 31 foreign patents	6 U.S. applications 18 foreign applications	Compositions, methods, kits
SoluPure	Protein purification methods		1 U.S. application 10 foreign applications	Methods
HiPrBind	High-throughput methods of detecting and analyzing analytes		1 pending application (PCT)	Methods
ACE	High-throughput methods of screening for high performing host cells and/or expression constructs		1 pending application (PCT)	Methods
Inteins	Constructs and methods for producing "human" proteins in <i>E. coli</i> by self-cleaving peptides		1 pending application (PCT)	Compositions, methods
Totient (Antibodies)	Proteins, nucleic acids, vectors, host cells, kits, and methods of treating diseases, such as cancer and SARS-CoV-2		3 U.S. applications (2 provisional) 1 PCT application 5 foreign applications	Compositions, methods, kits
Totient (Computational Methods)	Computational model for agent identification		1 pending application (provisional)	Methods

The protection provided by a patent varies from country to country, and is dependent on the type of patent granted, the scope of the patent claims, and the legal remedies available in a given country. In addition, the term of individual patents depends upon the legal term of the patents in the countries in which they are obtained. In most countries in which we file, the patent term is 20 years from the earliest non-provisional filing date, subject to any disclaimers or extensions. The term of a patent in the United States can be adjusted due to any failure of the United States Patent and Trademark Office following certain statutory and regulation deadlines for issuing a patent. In addition, in the United States, the term of a U.S. patent that covers an FDA-approved drug may also be eligible for patent term extension, which, if granted, permits patent term restoration as compensation for the patent term lost during the FDA regulatory review process. The Hatch-Waxman Act permits a patent term extension of up to five years beyond the original expiration of the patent. The length of the patent term extension is related to the length of time the drug is under regulatory review. Patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval and only one patent applicable to an approved drug may be extended and only those claims covering the approved drug, a method for using it, or a method for manufacturing it may be extended. Similar provisions are available in Europe and other foreign jurisdictions to extend the term of a patent that covers an approved drug.

In the future, if we determine to develop our own product candidates and any such product candidates receive FDA approval, we expect to apply for patent term extensions on patents covering those products. While we may seek patent term extensions of our relevant issued patents in any jurisdiction where such extensions are available, there is no guarantee that the applicable authorities, including the FDA in the United States, will agree with our assessment of whether such extensions should be granted, and if granted, the length of such extensions.

As of June 4, 2021, we owned registered trademarks for Absci, SoluPro, SoluPure and TOTIENT in the United States, as well as eight trademark registrations in other jurisdictions.

In addition to patent and trademark protection, we also utilize other forms of intellectual property protection, including copyright, internal know-how and trade secrets, when such other forms are better suited to protect a particular aspect of our intellectual property position. For example, our trade secrets encompass certain algorithms associated with our deep learning Denovium Engine, our computational antibody and target discovery technology, manufacturing protocols for our *E. coli* SoluPro strains, libraries of protein folding solutions and design of molecular libraries for drug discovery. We believe our proprietary rights are strengthened by our comprehensive approach to intellectual property protection. It is our policy to require our employees, consultants, advisors and other independent contractors to execute confidentiality and invention assignment agreements upon accepting employment, consulting or similar relationships with us. These agreements provide that all confidential information concerning our business or financial affairs developed or made known to the individual during the course of the individual's relationship with us is to be kept confidential and not disclosed to third parties except in specific circumstances. We also take precautions through the use of security measures to prevent the release of our proprietary information to third parties.

Although we take steps to protect our proprietary information and trade secrets, including through contractual means with our employees, consultants, advisors and other independent contractors, these agreements may be breached and we may not have adequate remedies for any breach. In addition, third parties may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets or disclose our technology. As a result, we may not be able to meaningfully protect our trade secrets and other proprietary technology. For a discussion of the risks we face relating to intellectual property, see "Risk Factors—Risks Related to our Intellectual Property."

#### **Material Agreements**

On December 5, 2019, we entered into a Joint Marketing Agreement (KBI Agreement) with KBI Biopharma, Inc. (KBI) a global biopharmaceutical contract development and manufacturing organization, pursuant to which the two companies agree to jointly market and promote their respective products and services to accelerate and optimize drug development and manufacturing. For four years from the date of the KBI Agreement, we have agreed to use KBI as our sole contract manufacturer to market our products and services worldwide related to the expression of proteins, including without limitation, certain proprietary methods of increasing or improving the quality or quantity of expression or production of proteins, or producing proteins with improved properties, including methods based on our proprietary protein expression and purification technology. The KBI Agreement does not restrict our ability to enter into other agreements with contract manufacturing organizations, so long as the agreement does not cover the marketing of our technology, with certain exceptions. During each of the four contract years, KBI is obligated to use commercially reasonable efforts to market our technology and provide us with certain designated number of qualifying leads in each year. In the event that KBI fails to present a sufficient number of qualifying leads, KBI shall be obligated to make payments to us in the range of \$250,000 to \$500,000 over the four years, referred to herein as Additional Exclusivity Payments. Under the KBI Agreement, each party also agrees to maintain certain personnel and produce certain marketing materials jointly for the purposes of the marketing efforts under the KBI Agreement. KBI has made

a one-time upfront payment of \$750,000 to us in consideration for this Agreement. Additionally, KBI paid a milestone payment of \$2.25 million and is required to pay an additional \$500,000 upon the achievement of certain milestones, including the ability of KBI to enter into services agreements with third parties using our technology. To date, no such contracts have been entered into by KBI. Beginning on the third anniversary of the date of the KBI Agreement and for the following year thereafter during the four-year term of the KBI Agreement, KBI will pay us royalties in the mid-single digits based on the net sales during such year from manufacturing services provided by KBI to third parties using our technology. The KBI Agreement may be terminated by either party following notice of an uncured material breach, including failure to pay under the agreement, or for insolvency of the other party. The KBI Agreement may also be terminated by us upon a change of control or if KBI fails to provide the sufficient number of qualifying leads and fails to pay the Additional Exclusivity Payments.

## **Government Regulation**

### ***Regulations Related to the Discovery, Development, Approval and Commercialization of Biotherapeutics***

Our focus is on the use of our platform to enable our partners to improve the speed and success of their biologic product discovery and development efforts; however, we ourselves are not currently involved in biologic product discovery and development, do not manufacture any product candidates and do not conduct or sponsor any IND-enabling preclinical studies or clinical trials. As such, while we are subject to a number of regulations, such as those governing our laboratory facilities as well as regulations that apply to businesses in the private sector generally, we are not subject to many of the types of regulations that ordinarily apply to companies in the life sciences, biotechnology and pharmaceutical sectors and industries. However, we believe that the long-term success of our business depends, in part, on our partners' ability to successfully develop and sell products identified and created through our platform technology. The regulations that govern our pharmaceutical and biotechnology partners are those we therefore believe have the most significant impact on our business.

Government authorities in the United States, at the federal, state and local level, and in the European Union and other countries and jurisdictions, extensively regulate, among other things, the research, development, testing, manufacturing, quality control approval, labeling, packaging, storage, record-keeping, promotion, advertising, distribution, post-approval monitoring and reporting, marketing and export and import of pharmaceutical products, including biological products such as those that our partners develop. The processes for obtaining marketing approvals in the United States and in foreign countries and jurisdictions, along with subsequent compliance with applicable statutes and regulations and other regulatory authorities, require the expenditure of substantial time and financial resources. If we or our partners fail to comply with applicable laws or regulations at any time, we or our partners may become subject to administrative or judicial sanctions or other legal consequences, including among other things, restrictions on marketing or manufacturing, withdrawal of products, product recalls, fines, warning letters, untitled letters, clinical holds on clinical studies, refusal of the FDA to approve pending applications or supplements to approved applications, suspension or revocation of product approvals, product seizure or detention, refusal to permit the import or export of products, consent decrees, corporate integrity agreements, debarment or exclusion from federal healthcare programs, mandated modification of promotional materials, issuance of safety alerts, Dear Healthcare Provider letters, injunctions or the imposition of civil or criminal penalties.

Our partners must obtain the requisite approvals from the applicable regulatory authority prior to the commencement of clinical studies or marketing of a biological product in those countries. The requirements and process governing the conduct of clinical trials, product licensing, coverage, pricing and reimbursement vary from country to country. In the United States, biological products are subject to regulation under the Federal Food, Drug, and Cosmetic Act, the Public Health Service

Act, and other federal, state, local and foreign statutes and regulations. The process required by the FDA before biologics may be marketed in the United States generally involves the following:

- completion of preclinical laboratory tests and animal studies performed in accordance with the FDA's applicable good laboratory practices regulations (GLP);
- submission to the FDA of an application for an IND, which must become effective before clinical trials may begin;
- approval of the protocol and related documentation by an independent institutional review board (IRB), or ethics committee at each clinical site before each trial may be initiated;
- performance of adequate and well-controlled human clinical trials according to the FDA's regulations commonly referred to as good clinical practices (GCPs), and any additional requirements for the protection of human research subjects and their health information, to establish the safety and efficacy of the proposed biological product for its intended use;
- preparation of and submission to the FDA of a biologics license application (BLA), for marketing approval that includes sufficient evidence of establishing the safety, purity, and potency of the proposed biological product for its intended indication, including from results of nonclinical testing and clinical trials;
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities where the biological product is produced to assess compliance with current good manufacturing practices (cGMPs), to assure that the facilities, methods and controls are adequate to preserve the biological product's identity, strength, quality and purity;
- potential FDA audit of the nonclinical study and clinical trial sites that generated the data in support of the BLA;
- review of the product candidate by an FDA advisory committee, where appropriate and if applicable;
- payment of user fees for FDA review of the BLA (unless a fee waiver applies); and
- FDA review and approval of the BLA, resulting in the licensure of the biological product for commercial marketing.

Although we do not currently engage directly in the discovery of our own biologics, we anticipate that in the future, we may selectively create our own biologic product candidates and advance such candidates through preclinical validation and cGMP manufacturing scale-up. Before testing any biologic product in humans, the product candidate must undergo rigorous preclinical testing. Preclinical studies include laboratory evaluations of drug chemistry, formulation and stability, as well as *in vitro* and animal studies to assess safety and in some cases to establish the rationale for therapeutic use. The conduct of preclinical studies is subject to applicable federal/national, supranational, state and local level regulations and requirements, including GLP, requirements for safety/toxicology studies. The results of the preclinical studies, together with manufacturing information and analytical data, must be submitted to the FDA as part of an IND or the appropriate regulatory authority in foreign countries as part of a clinical trial application (CTA). An IND is a request for authorization from the FDA to administer an investigational new drug to humans. In the United States, an IND must become effective before human clinical trials may begin. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30-day time period, raises safety concerns or questions about the proposed clinical trial. In such a case, the IND may be placed on clinical hold and the IND sponsor and the FDA must resolve any outstanding concerns or questions before the clinical trial can begin. Submission of an IND therefore may or may not result in FDA authorization to begin a clinical trial.

Clinical trials involve the administration of the investigational product to human subjects under the supervision of qualified investigators in accordance with GCPs, which include the requirement that all research subjects provide their informed consent for their participation in any clinical study. Clinical trials are conducted under written trial protocols detailing, among other things, the objectives of the clinical trial, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated. A separate submission to the existing IND must be made for each successive clinical trial conducted during product development and for subsequent protocol amendments. Furthermore, an independent IRB for each site proposing to conduct the clinical trial must review and approve the plan for any clinical trial and its informed consent form before the clinical trial begins at that site, and must monitor the study until completed. Regulatory authorities, the IRB or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the subjects are being exposed to an unacceptable health risk or that the trial is unlikely to meet its stated objectives. Some studies also include oversight by an independent group of qualified experts organized by the clinical study sponsor, known as a data safety monitoring board, which provides authorization for whether or not a study may move forward at designated check points based on access to certain data from the study and may recommend halting the clinical trial if it determines that there is an unacceptable safety risk for subjects or other grounds, such as no demonstration of efficacy. There are also requirements governing the reporting of ongoing clinical studies and clinical study results to public registries.

For purposes of BLA approval, human clinical trials are typically conducted in three sequential phases that may overlap or be combined :

- Phase 1—The investigational product is initially introduced into healthy human subjects or patients with the target disease or condition. These studies are designed to test the safety, dosage tolerance, absorption, metabolism and distribution of the investigational product in humans, the side effects associated with increasing doses, and, if possible, to gain early evidence on effectiveness.
- Phase 2—The investigational product is administered to a limited patient population with a specified disease or condition to evaluate the preliminary efficacy, optimal dosages and dosing schedule and to identify possible adverse side effects and safety risks. Multiple Phase 2 clinical trials may be conducted to obtain information prior to beginning larger and more expensive Phase 3 clinical trials.
- Phase 3—The investigational product is administered to an expanded patient population to further evaluate dosage, clinical efficacy, potency, and safety in an expanded patient population at geographically dispersed clinical trial sites. These clinical trials are intended to establish the overall risk/benefit ratio of the investigational product and to provide an adequate basis for product approval and product labeling.

In some cases, FDA may require, or firms may voluntarily pursue, post-approval clinical trials, sometimes referred to as Phase 4 clinical trials, after initial marketing approval. These clinical trials are used to gain additional experience from the treatment of patients in the intended therapeutic indication, particularly for long-term safety follow-up. During all phases of clinical development, regulatory agencies require extensive monitoring and auditing of all clinical activities, clinical data, and clinical trial investigators.

Concurrent with clinical trials, companies usually complete additional animal studies and also must develop additional information about the chemistry and physical characteristics of the biological product and finalize a process for manufacturing the product in commercial quantities in accordance with cGMP. To help reduce the risk of the introduction of adventitious agents with use of biological products, the Public Health Service Act emphasizes the importance of manufacturing control for products whose attributes cannot be precisely defined. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, the sponsor must develop methods for testing the identity, strength, quality, potency and

purity of the final biological product. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the biological product candidate does not undergo unacceptable deterioration over its shelf life.

### ***Healthcare Laws and Regulations***

Biopharmaceutical 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. These laws and regulations may constrain our relationships with our partners. Such laws include, without limitation, state and federal anti-kickback, fraud and abuse, false claims, and transparency laws and regulations related to drug pricing and payments and other transfers of value made to physicians and other healthcare providers. If our partners' operations are found to be in violation of any of such laws or any other governmental regulations that apply, by extension, we may be subject to penalties, including, without limitation, administrative, civil and criminal penalties, damages, fines, disgorgement, the curtailment or restructuring of operations, integrity oversight and reporting obligations, exclusion from participation in federal and state healthcare programs and responsible individuals may be subject to imprisonment.

### ***Additional Regulations***

In addition to the foregoing, state and federal U.S. laws regarding environmental protection and hazardous substances affect our business. These and other laws govern our use, handling and disposal of various biological, chemical and radioactive substances used in, and wastes generated by, our operations. If our operations result in contamination of the environment or expose individuals to hazardous substances, we could be liable for damages and governmental fines. We believe that we are in material compliance with applicable environmental laws and that continued compliance therewith will not have a material adverse effect on our business. We cannot predict, however, how changes in these laws may affect our future operations.

### ***Healthcare Reform***

Payors, whether domestic or foreign, or governmental or private, are developing increasingly sophisticated methods of controlling healthcare costs and those methods are not always specifically adapted for new technologies. In both the United States and certain foreign jurisdictions, there have been a number of legislative and regulatory changes to the health care system that could impact our ability to sell our products profitably. In particular, in 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (ACA) was enacted, which, among other things, subjected biologic products to potential competition by lower-cost biosimilars; addressed a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected; increased the minimum Medicaid rebates owed by most manufacturers under the Medicaid Drug Rebate Program; extended the Medicaid Drug Rebate program to utilization of prescriptions of individuals enrolled in Medicaid managed care organizations; subjected manufacturers to new annual fees and taxes for certain branded prescription drugs; created a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% (increased to 70% pursuant to the Bipartisan Budget Act of 2018, effective as of January 1, 2019) point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D; and provided incentives to programs that increase the federal government's comparative effectiveness research.

### ***Anti-Corruption Laws***

We are subject to the U.S. Foreign Corrupt Practices Act of 1977, as amended (FCPA) the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, and possibly other state and national anti-bribery and anti-money laundering laws in countries in which



we conduct activities, such as the UK Bribery Act 2010 and the UK Proceeds of Crime Act 2002 (Anti-Corruption Laws). Among other matters, such Anti-Corruption Laws prohibit corporations and individuals from directly or indirectly paying, offering to pay or authorizing the payment of money or anything of value to any foreign government official, government staff member, political party or political candidate, or certain other persons, in order to obtain, retain or direct business, regulatory approvals or some other advantage in an improper manner. We can also be held liable for the acts of our third party agents under the FCPA, the UK Bribery Act 2010 and possibly other Anti-Corruption Laws. In the healthcare sector, anti-corruption risk can also arise in the context of improper interactions with doctors, key opinion leaders and other healthcare professionals who work for state-affiliated hospitals, research institutions or other organizations.

### **Our Culture**

We actively engage in evolving our culture every day, throughout our organization. We invite input, consider best practices, and iterate to create the Absci culture that best reflects and projects the nature of our people.

The values we embody are:

- Believe in the impossible
- Proceed with passion and grit
- Foster collaboration and communication
- Expect integrity and excellence
- Enjoy the adventure

Collectively and individually we are defying conventions and innovating without boundaries. We are disrupting the biopharmaceutical industry with bold ideas and passionate pursuit of new possibilities. We share the mission of changing the world, one protein at a time.

### **Human Capital Resources**

As of March 31, 2021, we have 102 full-time employees of whom 47 have advanced post-graduate degrees. None of our employees is represented by a labor union with respect to his or her employment with us. We consider our relationship with our employees to be good. Our human capital resources objectives include, as applicable, identifying, recruiting, retaining, incentivizing and integrating our existing and additional employees. The principal purposes of our equity incentive plans are to attract, retain and motivate selected employees, consultants and directors through the granting of stock-based compensation awards and cash-based performance bonus awards.

### **Facilities**

We lease a 14,549 square foot office and laboratory space, located at 101 E 6th Street, Suite 350, Vancouver, Washington 98660. The office lease expires in August 2024. In December 2020, we entered into an additional operating lease, which was subsequently amended in March 2021, for a 77,974 square foot corporate headquarters facility that will include office and laboratory space. The new lease expires in May 2028. We are currently in the process of relocating our operations to the new facility and expect to complete our relocation by the end of 2021. In addition, as a result of the Totient acquisition, we currently maintain offices in Cambridge, Massachusetts and Belgrade, Serbia. We believe that our leased facilities are sufficient to meet our current and near-term needs and that additional alternative space will be available in the future on commercially reasonable terms, if needed.

**Legal Proceedings**

As of the date of this prospectus, we are not currently a party to any material litigation or other legal proceedings. From time to time, we may, however, in the ordinary course of business face various claims brought by third parties, and we may, from time to time, make claims or take legal actions to assert our rights. Any such claims and associated legal proceedings could, in the opinion of our management, have a material adverse effect on our business, financial condition, results of operations or prospects. Regardless of outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors. In the future, we may become party to legal matters and claims arising in the ordinary course of business, the resolution of which we do not anticipate would have a material adverse impact on our financial position, results of operations or cash flows.

# Management

## Executive officers and directors

The following table sets forth certain information about our executive officers and directors as of March 31, 2021.

Name	Age	Position(s)
<b>Executive Officers:</b>		
Sean McClain	31	Chief Executive Officer and Director
Gregory Schiffman	63	Chief Financial Officer
Andreas Pihl	60	Chief Operating Officer and Director
Matthew Weinstock, Ph.D.	34	Chief Technology Officer
Sarah Korman, Ph.D., J.D.	42	General Counsel
<b>Other Non-Employee Directors:</b>		
Eli Casdin	48	Director
Zachariah Jonasson, Ph.D.	49	Director
V. Bryan Lawlis, Ph.D.	69	Director
Ivana Magovcevic-Liebisch, Ph.D., J.D.	53	Director
Karen McGinnis, C.P.A.	54	Director
Amrit Nagpal	46	Director

## Executive Officers

**Sean McClain.** Mr. McClain is our Founder and has served as our Chief Executive Officer since August 2011 and a member of our board of directors since the formation of Absci Corporation in October 2020, and a managing member of its predecessor, AbSci LLC, since inception. Mr. McClain also serves as a board member for the Oregon Bioscience Association, Oregon Bioscience Incubator and Oregon Translational Research and Development Institute (OTRADI), and Life Science Washington. Mr. McClain holds a Bachelor of Science degree in Molecular and Cellular Biology in 2011 from the University of Arizona.

**Gregory Schiffman.** Mr. Schiffman has served as our Chief Financial Officer since April 2020. Mr. Schiffman also currently serves as a Director of AYRO, Inc., since May 2020, BioEclipse Therapeutics since October 2016, and Nanomix Inc., since November 2005. Mr. Schiffman has also served as a director of DropCar from January 2018 to May 2020, Xenogen Corporation from January 2005 to July 2006, VNUS Medical Technologies Inc. from April 2006 to July 2009 and IMPAC Medical Systems, Inc., from February 2003 to April 2005. Prior to joining Absci, Mr. Schiffman has served as the Chief Financial Officer of Vineti, Inc. from October 2017 to April 2018. He was also Chief Financial Officer and Corporate Secretary of Iovance Biotherapeutics, Inc. from October 2016 to June 2017. Prior to Iovance, Mr. Schiffman served as the Chief Financial Officer and Executive Vice President of Finance of StemCells Inc. from January 2014 until September 2016, the Chief Financial Officer of Dendreon Corporation from December 2006 to August 2013 and Executive Vice President of Dendreon Corporation from December 2006 to November 2013. Mr. Schiffman has also held several roles at Affymetrix Inc., as Chief Financial Officer from August 2001 to December 2006 and as its Executive Vice President from February 2005 to December 2006, and previously as Vice President and Controller of Applied Biosystems, Inc. (now part of Life Technologies) from October 1998 to March 2001. Before entering the healthcare field, Mr. Schiffman held roles of increasing responsibility within Hewlett Packard, where he served as controller of its European P.C. manufacturing and distribution operations in Grenoble, France and as manufacturing manager and controller of its Netmetrix Division. Mr. Schiffman is a CPA in Illinois, holds a Master's in Business Administration

from 1987 from the J.L. Kellogg School of Management, Northwestern University and a Bachelor's of Science degree in Accounting from 1985 from DePaul University.

**Andreas Pihl.** Mr. Pihl has served as our Chief Operating Officer and a member of our board of directors since August 2020. Prior to joining our company, he served as Vice President of Operations at Park Corporation from July 2004 until July 2020 and as Executive Vice President of Sumco Corporation between 2001 and 2004. Mr. Pihl also served in various capacities at Wacker Corporation from 1987 to 2000 including Senior Vice President of Operations between 1998 and 2000, Manager of Manufacturing Operations between 1992 and 1994, and as a Production Logistics Manager between 1987 to 1992. Between 1984 and 1987, Mr. Pihl was a Manufacturing Management Program Graduate at General Electric Company where he served in the General Electric Lighting Business Group as a Quality Unit Manager between 1986 and 1987 and Manufacturing Engineer and Supervisor between 1984 and 1985. He also served in the General Electric Aerospace Division between 1985 and 1986 as a Production Control Supervisor and Facilities Project Engineer. Mr. Pihl received a Bachelor's of Science degree in Industrial and Manufacturing Engineering from Oregon State University in 1984. We believe Mr. Pihl is qualified to serve on our board of directors due to his extensive experience in manufacturing, operations and management.

**Matthew Weinstock, Ph.D.** Dr. Weinstock has served as our Chief Technology Officer since September 2020. Prior to his role as CTO, Dr. Weinstock served Absci in a number of capacities, including: Chief of Staff, Group Leader of Molecular Sciences, and Senior Scientist. Between January 2014 and July 2018, Dr. Weinstock worked at Synthetic Genomics, Inc. where he led several efforts to develop next-generation host platforms for the bioproduction of therapeutics. He was the inventor and program lead of the Vmax™ platform, a novel microbial factory for the rapid and high-titer production of plasmid vectors and proteins, which was successfully commercialized. He also served as institutional PI on a multi-site DARPA program aiming to generate a consortium of synthetic organisms that could be introduced into the human gut microbiome to monitor for inflammation and respond by secreting anti-inflammatory compounds. Currently, Dr. Weinstock also serves as an instructor at the University of California, San Diego (Extension). Dr. Weinstock holds a PhD in Biochemistry from the University of Utah School of Medicine from 2014 where his dissertation centered on the use of mirror-image display technologies to discover D-peptide therapeutics against emerging infectious diseases. He obtained a Bachelor of Science degree from the University of Utah in 2007.

**Sarah Korman, Ph.D., J.D.** Dr. Korman has served as our General Counsel since May 2021. Ms. Korman previously served as the General Counsel and Corporate Secretary of NEUVOGEN, Inc. from September 2019 to June 2021. She served as Sr. Counsel, Intellectual Property & Litigation and Head of Intellectual Property, Final Drug Products at Amgen Inc. from September 2014 to September 2019. Dr. Korman holds a J.D. from DePaul University College of Law, a Ph.D. in materials science and engineering from the Pennsylvania State University and two B.S. degrees from the South Dakota School of Mines and Technology in Chemistry and Metallurgical Engineering, respectively. She is a National Science Foundation Fellow and an inventor on various patents directed to nanoenabled therapeutics.

#### **Non-Employee Directors**

**Eli Casdin.** Mr. Casdin has served as a member of our board of directors since October 2020. Since January 2021, Mr. Casdin has served as the Chief Executive Officer of CM Life Sciences III Inc. For the last 17 years he has analyzed and invested in disruptive technologies and business models in life sciences and healthcare. Prior to founding Casdin Capital, Mr. Casdin was a vice president at Alliance Bernstein's "thematic" based investment group where he researched and invested in the implications of new technologies for the life sciences and healthcare sectors. The black book, "The Dawn of Molecular Medicine," co-authored by Mr. Casdin, details the early, yet already accelerating, wave of innovations in life sciences, and the next wave of investment opportunities. Mr. Casdin's prior experience includes time at Bear Stearns and Cooper Hill Partners, a healthcare

focused investment firm. Mr. Casdin also serves as the Chief Executive Officer of CM Life Sciences, Inc. (Nasdaq: CMLF) and CM Life Sciences II Inc. (Nasdaq: CMII), both blank check companies sponsored by an affiliate of Casdin Capital and Corvex Management, since July 2020 and December 2020, respectively. Mr. Casdin serves on the board of directors for CM Life Sciences, Inc. and CM Life Sciences II Inc., and also serves as a director or observer on the boards of a number of privately held life sciences companies. He has previously served as a director or observer on other, now public, boards, including Exact Sciences Corporation (Nasdaq: EXAS), Invitae Corporation (NYSE: NVTA), Relay Therapeutics, Inc. (Nasdaq: RLAY), and Magenta Therapeutics (Nasdaq: MGTA). Mr. Casdin is currently a member of the New York Genome Center Board and a member of The Columbia University School of General Studies Board of Visitors. Mr. Casdin earned a B.S. from Columbia University in 2003 and an MBA from Columbia Business School in 2003.

**Zachariah Jonasson, Ph.D.** Dr. Jonasson has served as a member of the Company's board of directors since April 2016. He has over 25 years of experience in venture capital and company operations. Dr. Jonasson is currently a Managing General Partner of Phoenix Venture Partners LLC (PVP), a venture capital firm he co-founded in August 2010. Dr. Jonasson leads PVP's investment strategy in biotechnology and has been involved in raising all of PVP's venture capital and seed funds. In addition to serving on the board of Absci, Dr. Jonasson serves as a director on the boards of PVP portfolio companies Green Theme Technologies, Inc., ReForm Biologics, LLC, Autonomic Materials, Inc. Sentinel Monitoring Systems, Inc., and L7 Informatics, Inc. He also serves on the board of the Oregon Translational Research and Development Institute (OTRADI) and has served on the Commercialization Council of the Oregon Nanoscience and Microtechnologies Institute (ONAMI), the Advisory Board for the Oregon Innovation Cluster (OIC), and the Advisory Board of the Life Sciences Institute at the University of British Columbia. Previously, Dr. Jonasson was a co-founder and Chief Executive Officer of ReForm Biologics, LLC and a co-founder and VP of Business Development of Crop Enhancement, LLC. Earlier in his career, Dr. Jonasson was a General Partner and Kauffman Fellow at Seaflounder Ventures, an early-stage venture capital firm investing in the biotechnology sector, where he led, managed and held board or board observer roles at several of the firm's investments, including Serenex, Inc. and Valeritas, Inc. Dr. Jonasson earned a Bachelor of Science from Georgetown University in 1995, where he was a Rhodes Scholarship Finalist, and an AM and PhD from Harvard University in 2003, where he was a Sackler Scholar. He has co-taught a marketing course at Harvard Business School as well as served as a Teaching Fellow at Harvard University. Prior to graduate school, Dr. Jonasson was a Research Associate at the Board of Governors of the Federal Reserve System. We believe Dr. Jonasson is qualified to serve on our board of directors due to his extensive expertise in venture capital the life sciences industry as well as his experience serving on numerous other boards.

**V. Bryan Lawlis, Ph.D.** Dr. Lawlis has served on our board of directors since May 2016. From August 2011 to September 2017, he served as the President and Chief Executive Officer of Itero Biopharmaceuticals, LLC, a private holding company that held the assets of Itero Biopharmaceuticals, Inc., a private biotechnology company. Dr. Lawlis co-founded and served as President and Chief Executive Officer of Itero Biopharmaceuticals, Inc. from 2006 until it discontinued operations in August 2011. Dr. Lawlis served as President and Chief Executive Officer of Aradigm Corporation (Aradigm), a pharmaceutical company, from August 2004 to August 2006; continuing in both capacities until August 2006. Dr. Lawlis previously served as Aradigm's President and Chief Operating Officer from June 2003 to August 2004 and its Chief Operating Officer from June 2003 to August 2004 and its Chief Operating Officer from November 2001 to June 2003. Prior to his time at Aradigm, Dr. Lawlis co-founded Covance Biotechnology Services, a contract biopharmaceutical manufacturing operation, served as its President and Chief Executive Officer from 1996 to 1999, and served as Chairman from 1999 to 2001. It was sold to Diosynth RTP, Inc., a division of Akzo Nobel. NV. From 1981 to 1996, Dr. Lawlis was employed at Genencor, Inc., a biotechnology company and Genentech, Inc. His last position at Genentech, Inc. was Vice President of Process Sciences. Dr. Lawlis has served on the board of BioMarin Pharmaceutical, Inc., a public biotechnology company since June of 2007. He has served on the board of Geron Corporation, a

public biopharmaceutical company, since March of 2012 and has served as a member of the board of Coherus BioSciences, Inc., a public biotechnology company (Coherus), since October 2014, and Aeglea Biotherapeutics, a public company since June 2018. He previously served on the board of KaloBios Pharmaceuticals, Inc., a biotechnology company, from August 2013 until September 2014, and he acted as Chairman of the scientific advisory board of Coherus from November 2012 to June 2016. Dr. Lawlis held a board position at Sutro Biopharmaceuticals from January 2004 to June of 2019. Sutro was a private company from its inception until September of 2018, when it became a public company. Dr. Lawlis has held a board position at ReForm Biologics, a private company since February 2014. Since October 2015, Dr. Lawlis has been an advisor to Phoenix Venture Partners, a venture capital firm focusing on manufacturing technologies and material sciences technologies. He also holds a position on Allakos' manufacturing advisory board. Dr. Lawlis holds a B.A. in microbiology from the University of Texas at Austin, and a Ph.D. in Biochemistry from Washington State University. We believe Dr. Lawlis is qualified to serve on our board of directors due to his extensive executive expertise and experience in the biotechnology industry.

**Ivana Magovcevic-Liebisch, Ph.D., J.D.** Dr. Liebisch has served as a member of our board of directors since August 2020 and its chairperson since January 2021. She also currently serves as a board member of Applied Genetic Technologies Corporation (AGTC), and Aeglea BioTherapeutics in addition to serving as the CEO and President of Vigil Neuroscience. Dr. Liebisch was appointed Executive Vice President, Chief Business Officer of Ipsen in March 2018 and served in this capacity until April 2020. Prior to joining Ipsen, Dr. Liebisch served as the Executive Vice President, Chief Strategy and Corporate Development Officer at Axcella from May 2017 to March 2018 and was Senior Vice President and Head of Global Business Development at Teva Pharmaceutical Industries Ltd from March 2013 to May 2017. She previously worked at Dyax Corp from April 2001 to March 2013 in management roles of increasing scope and responsibility, including Executive Vice President and Chief Operating Officer. Dr. Liebisch began her biopharma career at Transkaryotic Therapies, Inc, where she was Director of Intellectual Property and Patent Counsel from 1998 to 2001. Dr. Liebisch is a Trustee of the Boston Museum of Science, and of the Boston Ballet and overseer of Beth Israel Deaconess Medical Center. Dr. Liebisch holds a Ph.D. in Genetics from Harvard University in 1994 and received her J.D. in High Technology law from Suffolk University Law School in 1999. She graduated from Wheaton College with a B.A. in Biology and Chemistry in 1989. We believe Dr. Liebisch's over 20 years of senior management experience in biotechnology and pharmaceutical industry make her well qualified to serve on our board of directors.

**Karen McGinnis, C.P.A.** Ms. McGinnis has served as a member of our board of directors since August 2020. Ms. McGinnis also serves as an Independent Director of Alphatec Holdings, Inc. since June 2019 and of BioSplice Therapeutics, Inc. since March 2021. She was Vice President and Chief Accounting Officer of Illumina, Inc. from November 2017 until her retirement on April 2, 2021. Ms. McGinnis served as the Chief Executive Officer and President of Mad Catz Interactive Inc. from February 2016 to March 2017, the Chief Financial Officer of Mad Catz Interactive Inc. from June 2013 to February 2016 and served as the Chief Accounting Officer, Corporate Controller and Vice President of Cymer, Inc. from November 2009 to June 2013. Previously, Ms. McGinnis served as Chief Accounting Officer for Insight Enterprises, Inc., from September 2006 until March 2009, its Senior Vice President of Finance from 2001 through September 2006 and its Vice President of Finance from 2000 through 2001. From 1997 to 2000, she served as the Chief Financial Officer of Horizon. Prior to Horizon, Ms. McGinnis was employed by KPMG LLP from 1989 to 1997 and served as its Senior Assurance Manager. Ms. McGinnis is a Certified Public Accountant and received a bachelor's degree in Accounting from the University of Oklahoma in 1989. We believe Ms. McGinnis is qualified to serve on our board of directors due to her extensive executive, accounting and financial expertise.

**Amrit Nagpal.** Mr. Nagpal has served as a member of our board of directors since October 2020. He is currently a Managing Director at Redmile Group, LLC, a healthcare-focused investment firm. Prior to joining Redmile in January 2013, Amrit spent 10 years at Weintraub Capital Management LP, an investment firm based in San Francisco, as both an analyst and portfolio manager. Prior to Weintraub, he was an associate and an analyst at Robertson Stephens, a San Francisco-based

investment bank. Mr. Nagpal received a BA in Economics from Columbia University in 1997 and an MBA from The Anderson School at University of California, Los Angeles in 2002. We believe Mr. Nagpal is qualified to serve on our board of directors due to his extensive healthcare investment expertise.

### **Family Relationships**

There are no family relationships among any of our executive officers or directors.

### **Composition of Our Board of Directors**

Our board of directors consists of eight members, each of whom are members pursuant to the board composition provisions of our 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 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 to identify persons who will further the interests of our stockholders through his or her established record of professional accomplishments, the ability to contribute positively to the collaborative culture among board members, knowledge of our business, understanding of the competitive landscape, and 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 and amended and restated bylaws that will become effective immediately prior to the closing of this offering also provide that our directors may be removed only for cause by the affirmative vote of the holders of at least 75% 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.

### **Director Independence**

Upon the completion of this offering, we expect that our common stock will be listed on the Nasdaq Global Market. Applicable rules of Nasdaq require a majority of a listed company's board of directors to be comprised of independent directors within one year of listing. In addition, the Nasdaq rules require that, (1) on the date of the completion of the offering, at least one member of each of a listed company's audit, compensation and nominating and corporate governance committees be independent, (2) within 90 days of the date of the completion of the offering, a majority of the members of such committees be independent and (3) within one year of the date of the completion of the offering, all the members of such committees be independent. Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Exchange Act. Under applicable Nasdaq rules, a director will only qualify as an "independent director" if, in the opinion of the listed 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, 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, accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries or otherwise be an affiliated person of the listed company or any of its subsidiaries.

Our board of directors has determined that all members of the board of directors, except Messrs. McClain and Pihl, are independent directors, including for purposes of the rules of Nasdaq and the SEC. In making such independence determination, our board of directors considered the

relationships that each non-employee director has with us and all other facts and circumstances that our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director. In considering the independence of the directors listed above, our board of directors considered the association of our directors with the holders of more than 5% of our common stock. Upon the completion of this offering, we expect that the composition and functioning of our board of directors and each of our committees will comply with all applicable requirements of Nasdaq and the rules and regulations of the SEC. There are no family relationships among any of our directors or executive officers. Messrs. McClain and Pihl are not independent directors under these rules because each is currently employed as our chief executive officer and our chief operating officer, respectively.

### **Staggered Board**

In accordance with the terms of our amended and restated certificate of incorporation that will become effective immediately prior to the closing of this offering and our amended and restated bylaws that will become effective on the date on which the registration statement of which this prospectus is part is declared effective by the SEC, our board of directors will be divided into three staggered classes of directors and each will be assigned to one of the three classes. At each annual meeting of the stockholders, a class of directors will be elected for a three-year term to succeed the directors of the same class whose terms are then expiring. The terms of the directors will expire upon the election and qualification of successor directors at the annual meeting of stockholders to be held during the years 2022 for Class I directors, 2023 for Class II directors and 2024 for Class III directors.

- Our Class I directors will be \_\_\_\_\_ ; \_\_\_\_\_ ; and \_\_\_\_\_ .
- Our Class II directors will be \_\_\_\_\_ ; \_\_\_\_\_ ; and \_\_\_\_\_ .
- Our Class III directors will be \_\_\_\_\_ ; \_\_\_\_\_ and \_\_\_\_\_ .

Our amended and restated certificate of incorporation and amended and restated bylaws that will become effective immediately prior to the closing of this offering will provide that the number of directors shall be fixed from time to time by a resolution of the majority of our board of directors.

The division of our board of directors into three classes with staggered three-year terms may delay or prevent stockholder efforts to effect a change of our management or a change in control.

### **Board Leadership Structure and Board's Role in Risk Oversight**

Dr. Magovcevic-Liebisch is our current chairperson of the board and Sean McClain is our current chief executive officer, hence the roles of chairperson of the board and the chief executive officer and president are separated. We plan to keep these roles separated following the completion of this offering. We believe that separating these positions allows our chief executive officer to focus on setting the overall strategic direction of the company, expanding the organization to deliver on our strategy and overseeing our day-to-day business, while allowing the chairperson of the board to lead the board of directors in its fundamental role of providing strategic advice. 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 chairperson of the board, particularly as the board of directors' oversight responsibilities continue to grow. While our amended and restated bylaws and corporate governance guidelines do not require that our chairperson of the board 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.

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 entitled "Risk Factors" appearing elsewhere in this prospectus. 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 compensation committee and a nominating and corporate governance committee, each of which will operate pursuant to a charter adopted by our board of directors and will be effective upon the effectiveness of the registration statement of which this prospectus is a part. Upon the effectiveness of the registration statement of which this prospectus is a part, the composition and functioning of all of our committees will comply with all applicable requirements of the Sarbanes-Oxley Act of 2002, Nasdaq and SEC rules and regulations.

#### ***Audit Committee***

Effective upon the effectiveness of the registration statement of which this prospectus is a part, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ will serve on the audit committee, which will be chaired by \_\_\_\_\_. Our board of directors has determined that \_\_\_\_\_ are "independent" for audit committee purposes as that term is defined in the rules of the SEC and the applicable Nasdaq rules, and each has sufficient knowledge in financial and auditing matters to serve on the audit committee. Our board of directors has designated \_\_\_\_\_ as an "audit committee financial expert," as defined under the applicable rules of the SEC. The audit committee's responsibilities include:

- appointing, approving the compensation of, and assessing the independence of our independent registered public accounting firm;
- pre-approving auditing and permissible non-audit services, and the terms of such services, to be provided by our independent registered public accounting firm;
- reviewing the overall audit plan with our independent registered public accounting firm and members of management responsible for preparing our financial statements;
- reviewing and discussing with management and our independent registered public accounting firm our annual and quarterly financial statements and related disclosures as well as critical accounting policies and practices used by us;
- coordinating the oversight and reviewing the adequacy of our internal control over financial reporting;
- establishing policies and procedures for the receipt and retention of accounting-related complaints and concerns;

- 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;
- 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;
- preparing the audit committee report required by SEC rules to be included in our annual proxy statement;
- reviewing all related person transactions for potential conflict of interest situations and approving all such transactions; and
- reviewing quarterly earnings releases.

#### **Compensation Committee**

Effective upon the effectiveness of the registration statement of which this prospectus is a part, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ will serve on the compensation committee, which will be chaired by \_\_\_\_\_. Our board of directors has determined that each member of the compensation committee is "independent" as defined in the applicable Nasdaq rules. The compensation committee's responsibilities include:

- annually reviewing and recommending to the board of directors the corporate goals and objectives relevant to the compensation of our principal executive officer;
- evaluating the performance of our principal executive officer in light of such corporate goals and objectives and based on such evaluation: (i) determining cash compensation of our principal executive officer; and (ii) reviewing and approving grants and awards to our principal executive officer under equity-based plans;
- reviewing and approving or recommending to the board of directors the cash compensation of our other executive officers;
- reviewing and establishing our overall management compensation, philosophy and policy;
- overseeing and administering our compensation and similar plans;
- evaluating and assessing potential and current compensation advisors in accordance with the independence standards identified in the applicable Nasdaq rules;
- reviewing and approving our policies and procedures for the grant of equity-based awards;
- reviewing and recommending to the board of directors the compensation of our directors;
- preparing the compensation committee report required by SEC rules, if and when required, to be included in our annual proxy statement; and
- reviewing and approving the retention, termination or compensation of any consulting firm or outside advisor to assist in the evaluation of compensation matters.

#### **Nominating and Corporate Governance Committee**

Effective upon the effectiveness of the registration statement of which this prospectus is a part, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ will serve on the nominating and corporate governance committee, which will be chaired by \_\_\_\_\_. Our board of directors has determined that each member of the nominating

and corporate governance committee is "independent" as defined in the applicable Nasdaq rules. The nominating and corporate governance committee's responsibilities include:

- 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;
- reviewing the composition of the board of directors to ensure that it is composed of members containing the appropriate skills and expertise to advise us;
- identifying individuals qualified to become members of the board of directors;
- recommending to the board of directors the persons to be nominated for election as directors and to each of the board's committees;
- developing and recommending to the board of directors a code of business conduct and ethics and a set of corporate governance guidelines; and
- overseeing the evaluation of our board of directors and management.

Our board of directors may from time to time establish other committees.

### **Compensation Committee Interlocks and Insider Participation**

None of the members of our compensation committee has at any time during the prior three years been one of our officers or employees. None of our executive officers currently serves, or in the past fiscal year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee.

### **Corporate Governance**

We intend to adopt a written code of business conduct and ethics, effective upon the effectiveness of the registration statement of which this prospectus is a part, that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. Following the effectiveness of the registration statement of which this prospectus is a part, a current copy of the code will be posted on the investor relations section of our website, which is located at <https://absci.com/>. The inclusion of our website address in this prospectus does not incorporate by reference the information on or accessible through our website into this prospectus. If we make any substantive amendments to, or grant any waivers from, the code of business conduct and ethics for any officer or director, we will disclose the nature of such amendment or waiver on our website or in a current report on Form 8-K.

### **Limitation on Liability and Indemnification Matters**

Our amended and restated certificate of incorporation, which will become effective immediately prior to the completion of this offering, will contain provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the 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;

- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which the director derived an improper personal benefit.

Each of our amended and restated certificate of incorporation and amended and restated bylaws, which will become effective immediately prior to the completion of this offering, will provide that we are required to indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law. Our amended and restated bylaws will also obligate us to advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in that capacity regardless of whether we would otherwise be permitted to indemnify him or her under Delaware law. We have entered and expect to continue to enter into agreements to indemnify our directors, executive officers and other employees as determined by our board of directors. With specified exceptions, these agreements provide for indemnification for related expenses including, among other things, attorneys' fees, judgments, fines and settlement amounts incurred by any of these individuals in any action or proceeding. We believe that these bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. We also maintain directors' and officers' liability insurance.

The limitation of liability and indemnification provisions in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against our directors and officers for breach of their fiduciary duty. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and our stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage.

## 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 currently planned programs as summarized in this discussion.

As an emerging growth company, we have opted to comply with the executive compensation disclosure rules applicable to “smaller reporting companies,” as such term is defined in the rules promulgated under the Securities Act. The compensation provided to our named executive officers for the fiscal year ended December 31, 2020 is detailed in the 2020 Summary Compensation Table and accompanying footnotes and narrative that follow. Our named executive officers are:

- Sean McClain, our Founder and Chief Executive Officer;
- Gregory Schiffman, our Chief Financial Officer; and
- Andreas Pihl, our Chief Operating Officer.

To date, the compensation of our named executive officers has consisted of a combination of base salary, bonuses and long-term incentive compensation. Our named executive officers, like all full-time employees, are eligible to participate in our health and welfare 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.

### 2020 Summary Compensation Table

The following table presents information regarding the compensation awarded to, earned by, and paid to each individual who served as one of our named executive officers for services rendered to us in all capacities during the fiscal year ended December 31, 2020.

Name and Principal Position	Year	Salary(\$)	Bonus(\$) <sup>(1)</sup>	Stock Awards <sup>(2)</sup>	Option Awards(\$) <sup>(3)</sup>	All Other <sup>(4)</sup>	Total
<b>Sean McClain</b> <i>Founder and Chief Executive Officer</i>	2020	260,000	125,000	743,752	26,727	25,405	1,180,884
<b>Gregory Schiffman</b> <sup>(5)</sup> <i>Chief Financial Officer</i>	2020	184,999	100,000	670,610	209,202	10,667	1,175,478
<b>Andreas Pihl</b> <sup>(6)</sup> <i>Chief Operating Officer</i>	2020	100,750	75,000	909,155	246,945	7,000	1,338,850

(1) These amounts represent discretionary annual bonuses paid for company performance in 2020.

(2) The amounts reported represent the aggregate grant-date fair value of incentive unit awards granted to the named executive officers in 2020, calculated in accordance with Financial Accounting Standards Board (FASB), Accounting Standards Codification (ASC), Topic 718. Such grant-date fair value does not take into account any estimated forfeitures related to service-vesting conditions. The assumptions used in calculating the grant-date fair value are set forth in Note 8 of our notes to consolidated financial statements included elsewhere in this prospectus. In October 2020, in connection with a reorganization whereby we converted from a Delaware limited liability company to a Delaware corporation, incentive unit awards were exchanged for an equal number of shares of restricted stock or vested common stock, as applicable, under our 2020 Stock Option and Incentive Plan (2020 Stock Plan). Accordingly, these amounts also include any incremental value associated with such exchange.

(3) The amounts reported represent the aggregate grant date fair value of the stock options awarded to the named executive officers during fiscal year 2020, calculated in accordance with FASB, ASC, Topic 718. Such grant date fair value does not take into account any estimated forfeitures. The assumptions used in calculating the grant-date fair value are set forth in Note 8 of our notes to consolidated financial statements included elsewhere in this prospectus. The amounts reported in this column reflect the accounting cost for the stock options and does not correspond to the actual economic value that may be received upon exercise of the stock option or any sale of any of the underlying shares of common stock.

(4) The amounts reported in this column represent matching employer contributions under the Company's 401(k) plan. For Mr. McClain, such amount also includes an aggregate amount equal to \$19,538 to compensate Mr. McClain for self-employment taxes prior to our reorganization in October 2020.

- (5) Mr. Schiffman joined us in April 2020 as our Chief Financial Officer. Mr. Schiffman's base salary was pro-rated for his partial year of service during fiscal year 2020.  
(6) Mr. Pihl joined us in June 2020 as our Chief Operating Officer. Mr. Pihl's base salary was pro-rated for his partial year of service during fiscal year 2020.

## Narrative Disclosure to Summary Compensation Table

### Base Salaries

Base salaries for our named executive officers are reviewed periodically and adjusted from time to time based on factors including market-competitive compensation levels, job responsibilities, individual performance and experience. For 2020, the base salaries for Mr. McClain, Mr. Schiffman and Mr. Pihl were \$260,000, \$250,000, and \$240,000, respectively.

### Annual Cash Bonuses

We do not sponsor or maintain a formal annual bonus plan. However, subject to performance for 2020, the board of directors may approve discretionary bonuses, as they did for 2020 for our named executive officers.

### Employment Arrangements with Our Named Executive Officers

For Mr. McClain and Mr. Pihl, we do not have formal employment agreements and each is employed at will. We have entered into an employment offer letter with Mr. Schiffman, which sets forth the terms and conditions of his employment, which is at will. In connection with this offering, we intend to enter into formal employment agreements with our named executive officers that will become effective with the closing of this offering.

### Outstanding Equity Awards at 2020 Fiscal Year-End

The following table sets forth information concerning outstanding equity awards held by our named executive officers as of December 31, 2020.

Option Award <sup>(1)</sup>							Stock Awards <sup>(1)</sup>	
Name	Vesting Commencement Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested(#)	Market Value of Shares or Units of Stock That Have Not Vested(\$) <sup>(2)</sup>	
Sean McClain	4/7/2016	9,196	— <sup>(3)</sup>	3.63	10/27/2030			
	7/11/2017	964	165	3.63	10/27/2030			
	9/13/2017					2,376		
Gregory Schiffman	4/6/2020	—	76,351	3.63	10/27/2030			
	4/6/2020					168,074		
Andreas Pihl	3/1/2020	5,857	9762 <sup>(5)</sup>	3.63	10/27/2030			
	8/1/2020	—	75,077	3.63	10/27/2030			
	4/23/2020					34,381		
	8/17/2020					134,348		

- (1) Unless otherwise noted below, 1/4th of the shares underlying the award will vest on the first anniversary of the vesting commencement date, and 1/48th of the shares underlying the award will vest in equal monthly installments thereafter such that the award will be fully vested on the date four years after the vesting commencement date, subject to the grantee's continued service relationship with us through each such vesting date.  
(2) Calculated based on \$ per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus.  
(3) This option is fully vested.  
(4) This option vests in 48 equal monthly installments following the vesting commencement date, subject to the grantee's continued service relationship with the Company through each such vesting date.  
(5) This option vests in 24 equal monthly installments following the vesting commencement date, subject to the grantee's continued service relationship with the Company through each such vesting date.

## **Employee Benefit and Equity Compensation Plans**

### ***2020 Stock Option and Grant Plan***

Our 2020 Plan was approved by our board of directors and stockholders in October 2020, and most recently amended in March 2021. Under the 2020 Plan, we have reserved for issuance an aggregate of 3,246,905 shares of our common stock. The number of shares of common stock reserved for issuance is subject to adjustment in the event of any merger, consolidation, sale of all or substantially all of our assets, reorganization, recapitalization, reclassification, stock split, stock dividend, reverse stock split or other similar transaction.

The shares of common stock underlying awards that are forfeited, canceled, reacquired by us prior to vesting, satisfied without the issuance of stock or otherwise terminated (other than by exercise) and shares of common stock that are withheld upon exercise of an option or settlement of an award to cover the exercise price or tax withholding are currently added back to the shares of common stock available for issuance under the 2020 Plan.

Our board of directors has acted as administrator of the 2020 Plan. The administrator has full power to select, from among the individuals eligible for awards, the individuals to whom awards will be granted, and to determine the specific terms and conditions of each award, subject to the provisions of the 2020 Plan. Persons eligible to participate in the 2020 Plan are those employees, officers and directors of, and consultants and advisors to, our company as selected from time to time by the administrator in its discretion.

The 2020 Plan permits the granting of (1) options to purchase common stock intended to qualify as incentive stock options under Section 422 of the Internal Revenue Code of 1986, as amended (Code), and (2) options that do not so qualify. The per share exercise price of each option is determined by the administrator but may not be less than 100% of the fair market value of the common stock on the date of grant. The term of each option is fixed by the administrator but may not exceed 10 years from the date of grant. The administrator determines at what time or times each option may be exercised. In addition, the 2020 Plan permits the granting of restricted shares of common stock, unrestricted shares of common stock, and restricted stock units.

The 2020 Plan provides that upon the occurrence of a "sale event," as defined in the 2020 Plan, all outstanding stock options will terminate at the effective time of such sale event, unless the parties to the sale event agree that such awards will be assumed or continued by the successor entity. In the event of a termination of the 2020 Plan and all options issued thereunder in connection with a sale event, optionees will be provided an opportunity to exercise options that are then exercisable or will become exercisable as of the effective time of the sale event within a specified period of time prior to the consummation of the sale event. In addition, we have the right to provide for cash payment to holders of options, in exchange for the cancellation thereof, in an amount per share equal to the difference between the value of the consideration payable per share of common stock in the sale event and the per share exercise price of such options. In the event of, and subject to the consummation of, a sale event, restricted stock and restricted stock units (other than those becoming vested as a result of the sale event) will be forfeited immediately prior to the effective time of a sale event unless such awards are assumed or continued by the successor entity. In the event that shares of restricted stock are forfeited in connection with a sale event, such shares of restricted stock shall be repurchased at a price per share equal to the original per share purchase price of such shares. We have the right to provide for cash payment to holders of restricted stock or restricted stock units, in exchange for the cancellation thereof, in an amount per share equal to the value of the consideration payable per share of common stock in the sale event.

Additionally, the 2020 Plan provides for certain drag along rights pursuant to which grantees may be obligated to, on the request of the Company or the accepting requisite holder, sell, transfer and deliver, or cause to be sold, transferred and delivered, to a buyer, their shares in the event the Company or the accepting requisite holder determine to enter into a sale event with a buyer.

The board of directors may amend or discontinue the 2020 Plan at any time, subject to stockholder approval where such approval is required by applicable law. The administrator of the 2020 Plan may also amend or cancel any outstanding award, provided that no amendment to an award may adversely affect a participant's rights without his or her consent. The administrator of the 2020 Plan is specifically authorized to exercise its discretion to reduce the exercise price of outstanding stock options or effect the repricing of such awards through cancellation and re-grants.

The 2020 Plan will automatically terminate upon the earlier of 10 years from the date on which the 2020 Plan was initially adopted by our board of directors or 10 years from the date the 2020 Plan was initially approved by our stockholders. As of \_\_\_\_\_, options to purchase shares of common stock were outstanding under the 2020 Plan. Our board of directors has determined not to make any further awards under the 2020 Plan following the closing of this offering.

#### ***401(k) Plan***

We maintain a tax-qualified retirement plan that provides all regular, eligible U.S. employees with an opportunity to save for retirement on a tax-advantaged basis. Full-time employees become eligible following 30 days of service and part-time employees become eligible after one year of service.. Under our 401(k) plan, participants may elect to defer a portion of their compensation on a pre-tax basis or after tax (Roth) basis, subject to applicable annual limits under the Code. Pre-tax contributions are allocated to each participant's individual account and are then invested in selected investment alternatives according to the participants' directions. Employee elective deferrals are 100% vested at all times. As a U.S. tax-qualified retirement plan, contributions to the 401(k) plan and earnings on those contributions are not taxable to the employees until distributed from the 401(k) plan and all contributions are deductible by us when made, and earnings on Roth contributions are not taxable when distributed from the 401(k) Plan. We make safe-harbor match contributions of 100% of the first 3% and 50% of the next 2% of each participant's eligible compensation. Employer matching contributions vest under a six-year graded vesting schedule.

#### ***Nonqualified Deferred Compensation***

Our named executive officers did not participate in, or earn any benefits under, a nonqualified deferred compensation plan sponsored by us during fiscal year 2020.

#### ***Other Benefits***

Our named executive officers are eligible to participate in our employee benefit plans on the same basis as our other employees, including our health and welfare plans.



## Director Compensation

### 2020 Director Compensation Table

The following table presents the total compensation paid by the Company to members of our board of directors during the fiscal year ended December 31, 2020. 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 2020 for their services as members of the board of directors. Sean McClain, our Founder and Chief Executive Officer, and Andreas Pihl, our Chief Operating Officer, do not receive any compensation from the Company for their service on our board of directors. See the section titled “Executive Compensation” for more information on the compensation paid to or earned by Mr. McClain and Mr. Pihl as employees for the year ended December 31, 2020.

Name	Fees Earned or Paid in Cash (\$) <sup>(1)</sup>	Total (\$) <sup>(2)</sup>
Eli Casdin	—	—
Zachariah Jonasson	—	—
V. Bryan Lawlis	30,000	30,000
Ivana Magovcevic-Liebisch	16,667	16,667
Gustavo Mahler <sup>(3)</sup>	—	—
Karen McGinnis	16,667	16,667
Amrit Nagpal	—	—
Dan Gold <sup>(4)</sup>	11,667	11,667

(1) Amounts reported reflect annual cash retainers paid to such non-employee directors in 2020, prorated to reflect partial years of service. We have entered into an independent director agreement with each of Dr. Magovcevic-Liebisch and Ms. McGinnis, pursuant to which each is entitled to receive an annual cash retainer,

(2) Each of Dr. Magovcevic-Liebisch and Ms. McGinnis were granted 44,510 phantom units in 2020. There was no accounting expense associated with such phantom units. Such phantom units were exchanged for a combination of cash payment rights and stock options to purchase 44,510 shares in January 2021. As of December 31, 2020, other than the phantom units described above, none of our non-employee directors held outstanding equity awards.

(3) Mr. Mahler resigned from his role as a member of our board of directors in April 2021.

(4) Mr. Gold resigned from his role as a member of our board of directors in July 2020.

### Non-Employee Director Compensation Policy

In connection with this offering, we intend to implement a non-employee director compensation program that will become effective upon the date on which the registration statement of which this prospectus is a part is declared effective. The program will be designed to enable us to attract and retain, on a long-term basis, highly qualified non-employee directors.

## Certain Relationships and Related Party Transactions

In addition to the compensation arrangements, including employment, termination of employment and change in control arrangements, with our directors and executive officers, including those discussed in the sections titled “Management” and “Executive and Director Compensation,” and the registration rights described in the section titled “Description of Capital Stock—Registration Rights,” the following is a description of each transaction to which we were or will be a party, since January 1, 2018:

- the amounts involved exceeded or will exceed \$120,000 or one percent of the Company’s total assets at year-end for the last two completed fiscal years; and
- any of our directors, executive officers or holders of more than 5% of our capital stock, or any member of the immediate family of the foregoing persons, or any affiliated entities, had or will have a direct or indirect material interest.

### Private Placements of Securities

#### *Redeemable convertible preferred unit and preferred stock financings*

On May 25, 2018, we sold an aggregate of 1,760,252 Series C Preferred Units in AbSci, LLC at a purchase price of \$6.95 per share, that were subsequently converted in October 2020 into the same number of shares of our Series C redeemable convertible preferred stock, for an aggregate purchase price of approximately \$12.2 million.

From December 2019 through June 2020, we sold an aggregate of 1,058,224 Series D-1 Preferred Units, 102,146 Series D-2 Preferred Units, 341,161 Series D-3 Preferred Units and 30,645 Series D-4 Preferred Units in AbSci, LLC at a purchase price of \$9.79 per share, that were subsequently converted in October 2020 into the same number of shares of our Series D-1, Series D-2, Series D-3 and Series D-4 redeemable convertible preferred stock, for an aggregate purchase price of approximately \$15.0 million.

From October 2020 through February 2021, we sold an aggregate of 3,568,405 shares of Series E redeemable convertible preferred stock at a purchase price of \$19.6166 per share, for an aggregate purchase price of approximately \$70.0 million.

All purchasers of our redeemable convertible preferred stock described above are entitled to specified registration rights. See the section entitled “Description of Capital Stock—Registration Rights” for more information regarding these registration rights.

The following table summarizes the Series C redeemable convertible preferred stock, Series D-1 redeemable convertible preferred stock, Series D-2 redeemable convertible preferred stock, Series D-3 redeemable convertible preferred stock, Series D-4 redeemable convertible preferred stock, and Series E redeemable convertible preferred stock purchased by members of our board of directors or their affiliates and holders of more than 5% of our outstanding capital stock.

Name of stockholder	Shares of redeemable convertible preferred stock	Total purchase price
Casdin Master Fund I, L.P.	1,274,431	\$ 25,000,003
Redmile Biopharma Investments II, L.P.	1,274,431	\$ 25,000,003
Phoenix Venture Partners II LP	128,635	\$ 1,124,682
<b>Total</b>	<b>2,677,497</b>	<b>\$ 51,124,688</b>

(1) Casdin Master Fund I, L.P. (together with its affiliates, Casdin) purchased 1,274,431 shares of Series E redeemable convertible preferred stock in October 2020 for \$19.6166 per share.

- (2) Redmile Biopharma Investments II, L.P. (together with its affiliates, Redmile) purchased 1,274,431 shares of Series E redeemable convertible preferred stock in October 2020 for \$19.6166 per share.
- (3) Phoenix Venture Partners II LP (together with its affiliates, PVP) purchased 82,689 shares of Series C redeemable convertible preferred stock in May 2018 for \$6.95, 25,536 shares of Series D-1 redeemable convertible preferred stock in December 2019 for \$9.79 per share, 10,215 shares of Series D-2 redeemable convertible preferred stock in January 2020 for \$9.79 per share and 10,195 shares of Series E redeemable convertible preferred stock in October 2020 for \$19.6166 per share.

### **Convertible Note Financing**

In March 2021, we sold Convertible Notes in an aggregate principal amount of \$125.0 million. The following table summarizes the amounts of Convertible Notes purchased by affiliates of members of our board of directors and by holders of more than 5% of our outstanding capital stock.

<b>Name of Investor</b>	<b>Aggregate Principal Amount of Convertible Notes Purchased</b>
Casdin	\$25,000,000
Redmile	\$25,000,000

### **Agreements with Stockholders**

#### ***Investors' rights agreement***

On October 19, 2020, we entered into an Investors' Rights Agreement, as amended to date, which we refer to as our investors' rights agreement, with certain holders of our outstanding redeemable convertible preferred stock, including entities with which certain of our directors are affiliated. After the completion of this offering, the holders of shares of our common stock issuable in connection with the conversion of all outstanding shares of our redeemable convertible preferred stock into common stock, are entitled to rights with respect to the registration of their shares following this offering under the Securities Act. See the section titled "Description of Capital Stock—Registration Rights" for more information regarding these registration rights.

#### ***Right of first refusal and co-sale agreement***

On October 19, 2020, we entered into a Right of First Refusal and Co-Sale Agreement, as amended to date, which we refer to as our right of first refusal and co-sale agreement, which imposes restrictions on the transfer of our capital stock. Upon the completion of this offering, the right of first refusal and co-sale agreement will terminate and the restrictions on the transfer of our capital stock set forth in this agreement will no longer apply.

#### ***Voting agreement***

On October 19, 2020, we entered into a Voting Agreement, as amended to date, which we refer to as our voting agreement, under which certain holders of our capital stock, including persons who hold more than 5% of our outstanding capital stock and entities with which certain of our directors are affiliated, have agreed to vote their shares on certain matters, including with respect to the election of directors. Upon the completion of this offering, the voting agreement will terminate and none of our stockholders will have any special rights regarding the election or designation of members of our board of directors or the voting of our capital stock of the company.

### **Executive Officer and Director Compensation**

See the sections titled "Executive Compensation" and "Director Compensation" for information regarding compensation of our executive officers and directors.

## **Indemnification Agreements**

In connection with this offering, we intend to enter into new agreements to indemnify our directors and executive officers. These agreements and our amended and restated certificate of incorporation and amended and restated bylaws will, among other things, require us to indemnify these individuals for certain expenses (including attorneys' fees), judgments, fines and settlement amounts reasonably incurred by such person in any action or proceeding, including any action by or in our right, on account of any services undertaken by such person on behalf of our company or that person's status as a member of our board of directors to the maximum extent allowed under Delaware law.

## **Policies for Approval of Related Party Transactions**

Prior to this offering, we have not had a formal policy regarding approval of transactions with related parties. Prior to the completion of this offering, we expect to adopt a written related person transaction policy that sets forth our procedures for the identification, review, consideration and approval or ratification of related person transactions. The policy will become effective immediately upon the execution of the underwriting agreement for this offering. For purposes of our policy only, a related person transaction is a transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which we and any related person are, were, or will be participants and in which the amount involved exceeds \$120,000 or one percent of our total assets at year-end for the last two completed fiscal years. Transactions involving compensation for services provided to us as an employee or director are not covered by this policy. A related person is any executive officer, director, or beneficial owner of more than 5% of any class of our voting securities, including any of their immediate family members and any entity owned or controlled by such persons.

Under the policy, if a transaction has been identified as a related person transaction, including any transaction that was not a related person transaction when originally consummated or any transaction that was not initially identified as a related person transaction prior to consummation, our management must present information regarding the related person transaction to our audit committee, or, if audit committee approval would be inappropriate, to another independent body of our board of directors, for review, consideration, and approval or ratification. The presentation must include a description of, among other things, the material facts, the interests, direct and indirect, of the related persons, the benefits to us of the transaction, and whether the transaction is on terms that are comparable to the terms available to or from, as the case may be, an unrelated third party or to or from employees generally. Under the policy, we will collect information that we deem reasonably necessary from each director, executive officer, and, to the extent feasible, significant stockholder to enable us to identify any existing or potential related person transactions and to effectuate the terms of the policy.

In addition, under our Code of Conduct, which we intend to adopt in connection with this offering, our employees and directors have an affirmative responsibility to disclose any transaction or relationship that reasonably could be expected to give rise to a conflict of interest.

In considering related person transactions, our audit committee, or other independent body of our board of directors, will take into account the relevant available facts and circumstances including, but not limited to:

- the risks, costs, and benefits to us;
- the impact on a director's independence in the event that the related person is a director, immediate family member of a director, or an entity with which a director is affiliated;
- the availability of other sources for comparable services or products; and

- the terms available to or from, as the case may be, unrelated third parties or to or from employees generally.

The policy requires that, in determining whether to approve, ratify, or reject a related person transaction, our audit committee, or other independent body of our board of directors, must consider, in light of known circumstances, whether the transaction is in, or is not inconsistent with, our best interests and those of our stockholders, as our audit committee, or other independent body of our board of directors, determines in the good faith exercise of its discretion. All of the transactions described above were entered into prior to the adoption of the written policy, but all were approved by our board of directors considering similar factors to those described above.

## Principal Stockholders

The following table presents information concerning the beneficial ownership of the shares of our common stock as of March 31, 2021 by:

- each person we know to be the beneficial owner of 5% or more of our outstanding shares of our capital stock;
- each of our directors;
- 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 SEC rules. The information does not necessarily indicate beneficial ownership for any other purpose. Under these rules, a person is deemed to be a beneficial owner of our common stock if that person has a right to acquire ownership within 60 days by the exercise of options or the conversion of our redeemable convertible preferred stock. A person is also deemed to be a beneficial owner of our common stock if that person has or shares voting power, which includes the power to vote or direct the voting of our common stock, or investment power, which includes the power to dispose of or to direct the disposition of such capital stock. Except in cases where community property laws apply or as indicated in the footnotes to this table, we believe that each stockholder identified in the table possesses sole voting and investment power over all shares of common stock shown as beneficially owned by the stockholder.

Percentage of beneficial ownership in the table below is based on \_\_\_\_\_ shares of common stock deemed to be outstanding as of March 31, 2021, assuming the conversion of all outstanding shares of our redeemable convertible preferred stock into common stock, immediately prior to the completion of this offering. The table below assumes that the underwriters do not exercise their option to purchase additional shares. Shares of common stock subject to options that are currently exercisable or exercisable within 60 days of March 31, 2021 are considered outstanding and beneficially owned by the person holding the options for the purpose of computing the percentage ownership of that person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Unless otherwise indicated below, the address of each individual listed below is c/o Absci Corporation, 101 E 6th Street, Suite 350, Vancouver, WA 98660.

Name and address of beneficial owner	Number of shares beneficially owned	Percentage of shares beneficially owned before offering	Percentage of shares beneficially owned after offering
<b>5% or Greater Stockholders:</b>			
Phoenix Venture Partners II LP <sup>(1)</sup>		%	%
Casdin Partners Master Fund, L.P. <sup>(2)</sup>		%	%
Entities affiliated with Redmile Group, LLC <sup>(3)</sup>		%	%
Mark Valasek		%	%
Entities and persons affiliated with Souther Investments <sup>(4)</sup>		%	%
<b>Named Executive Officers and Directors:</b>			
Sean McClain <sup>(5)</sup>		%	%
Gregory Schiffman <sup>(6)</sup>		%	%
Andreas Pihl <sup>(7)</sup>		%	%
Eli Casdin <sup>(2)(8)</sup>		%	%
Zachariah Jonasson, Ph.D. <sup>(1)(9)</sup>		%	%
V. Bryan Lawlis, Ph.D. <sup>(10)</sup>		%	%
Ivana Magovcevic-Liebisch, Ph.D. <sup>(11)</sup>		%	%
Karen McGinnis, CPA <sup>(12)</sup>		%	%
Amrit Nagpal <sup>(3)</sup>		%	%
All executive officers and directors as a group (10 persons) <sup>(13)</sup>		%	%

\* Represents beneficial ownership of less than one percent.

(1) Consists of (a) \_\_\_\_\_ shares of common stock issuable upon the conversion of Series A Preferred Stock, (b) \_\_\_\_\_ shares of common stock issuable upon the conversion of Series B Preferred Stock, (c) \_\_\_\_\_ shares of common stock issuable upon the conversion of Series C Preferred Stock, (d) \_\_\_\_\_ shares of common stock issuable upon the conversion of Series D Preferred Stock, (e) \_\_\_\_\_ shares of common stock issuable upon the conversion of Series E Preferred Stock and (f) \_\_\_\_\_ shares of common stock issuable upon the conversion of convertible promissory notes. Phoenix Venture Partners LLC is the investment advisor to Phoenix Venture Partners II LP, and Phoenix General Partner II LLC is the general partner of Phoenix Venture Partners II LP (together, the "PVP Entities"). Zachariah Jonasson, Ph.D. is a principal of Phoenix Venture Partners II LP. As such, each of the PVP Entities and Mr. Jonasson may be deemed to beneficially own the securities held by Phoenix Venture Partners II LP. Each of the PVP Entities and Mr. Jonasson disclaims beneficial ownership of such securities except to the extent of their respective pecuniary interest therein. The address of Phoenix Venture Partners II LP and each of the PVP Entities is 1700 El Camino Real, Suite 355, San Mateo, CA 94202.

(2) Consists of (a) \_\_\_\_\_ shares of common stock issuable upon the conversion of Series E Preferred Stock and (b) \_\_\_\_\_ shares of common stock issuable upon the conversion of convertible promissory notes. Casdin Capital, LLC is the investment adviser to Casdin Partners Master Fund, L.P., and Casdin Partners GP, LLC is the general partner of Casdin Partners Master Fund L.P. Eli Casdin is the managing member of Casdin Capital, LLC and Casdin Partners GP, LLC. As such, each of Casdin Capital, LLC, Casdin Partners GP, LLC and Eli Casdin may be deemed to beneficially own the securities held by Casdin Partners Master Fund, L.P. by virtue of their shared voting and investment control over Casdin Partners Master Fund, L.P. Each of Casdin Capital, LLC, Casdin Partners GP, LLC and Mr. Casdin disclaims beneficial ownership of such securities except to the extent of their respective pecuniary interest therein. The address of each of Casdin Partners Master Fund, L.P.,

Casdin Capital, LLC and Casdin Partners GP, LLC is 1350 Avenue of the Americas, Suite 2600, New York, NY 10019.

(3) Consists of (a)        shares of common stock issuable upon the conversion of Series E Preferred Stock and (b)        shares of common stock issuable upon the conversion of convertible promissory notes, in each case held by Redmile Biopharma Investments II, L.P. Redmile Group, LLC is the investment manager/adviser to Redmile Biopharma Investments II, L.P. (the "Redmile Fund") and, in such capacity, exercises sole voting and investment power over all of the securities held by the Redmile Fund and may be deemed to be the beneficial owner of these securities. Jeremy C. Green serves as the managing member of Redmile Group, LLC and also may be deemed to be the beneficial owner of these shares. Amrit Nagpal is a Managing Director of Redmile Group, LLC and serves as a director of the Company. Redmile Group, LLC, Mr. Green and Mr. Nagpal each disclaim beneficial ownership of these shares, except to the extent of its or his pecuniary interest in such shares, if any. The address of the Redmile Fund is c/o Redmile Group, LLC, One Letterman Drive, Building D, Suite D3-300, San Francisco, California 94129.

(4) Consists of (a)        shares of common stock,        shares of common stock issuable upon the conversion of Junior Preferred Stock,        shares of common stock issuable upon the conversion of Series A Preferred Stock,        shares of common stock issuable upon the conversion of Series B Preferred Stock,        shares of common stock issuable upon the conversion of Series C Preferred Stock and        shares of common stock issuable upon the conversion of convertible promissory notes held by David W. Souther and (b)        shares of common stock,        shares of common stock issuable upon the conversion of Junior Preferred Stock,        shares of common stock issuable upon the conversion of Series A Preferred Stock,        shares of common stock issuable upon the conversion of Series B Preferred Stock,        shares of common stock issuable upon the conversion of Series C Preferred Stock and        shares of common stock issuable upon the conversion of convertible promissory notes held by Souther Investments, LLC (together, the "Souther Entities"). David Souther may be deemed to beneficially own all of the securities owned by the Souther Entities. The address of each of the Souther Entities is 404 SW Columbia St., Suite 218, Bend, OR 97702.

(5) Includes        shares which are exercisable within 60 days of        , 2021.

(6) Includes        shares which are exercisable within 60 days of        , 2021.

(7) Includes        shares which are exercisable within 60 days of        , 2021.

(8) Includes        shares which are exercisable within 60 days of        , 2021.

(9) Includes        shares which are exercisable within 60 days of        , 2021.

(10) Includes        shares which are exercisable within 60 days of        , 2021.

(11) Includes        shares which are exercisable within 60 days of        , 2021.

(12) Includes        shares which are exercisable within 60 days of        , 2021.

(13) Consists of (i)        shares of common stock and (ii)        shares of common stock        which are exercisable within 60 days of        , 2021.



## Description of Capital Stock

Upon the completion of this offering, our authorized capital stock will consist of \_\_\_\_\_ shares of common stock, par value \$0.0001 per share, and \_\_\_\_\_ shares of preferred stock, par value \$0.0001 per share, all of which will be undesignated, and there will be \_\_\_\_\_ shares of common stock outstanding and no shares of preferred stock outstanding. As of March 31, 2021, we had approximately 82 record holders of our capital stock. All of our outstanding shares of redeemable convertible preferred stock will convert into shares of our common stock immediately prior to the completion of this offering. In addition, upon the completion of this offering, options to purchase \_\_\_\_\_ shares of our common stock will be outstanding and \_\_\_\_\_ shares of our common stock will be reserved for future grants under our equity incentive plans.

The following description of our capital stock and provisions of our amended and restated certificate of incorporation and bylaws are summaries of material terms and provisions and are qualified by reference to our amended and restated certificate of incorporation and bylaws, copies of which have been filed with the SEC as exhibits to the registration statement of which this prospectus is a part. The descriptions of our common stock and preferred stock reflect amendments to our amended and restated certificate of incorporation and bylaws that will become effective immediately prior to the completion of this offering.

### Common stock

Upon the completion of this offering, we will be authorized to issue one class of common stock. Holders of our common stock are entitled to one vote for each share of common stock held of record for the election of directors and on all matters submitted to a vote of stockholders. Except as described under “Anti-takeover Effects of Delaware Law and Provisions of our Amended and Restated Certificate of Incorporation and Bylaws” below, a majority vote of the holders of common stock is generally required to take action under our amended and restated certificate of incorporation and bylaws. Holders of our common stock are entitled to receive dividends ratably, if any, as may be declared by our board of directors out of legally available funds, subject to any preferential dividend rights of any preferred stock then outstanding. Upon our dissolution, liquidation or winding up, holders of our common stock are entitled to share ratably in our net assets legally available after the payment of all our debts and other liabilities, subject to the preferential rights of any preferred stock then outstanding. Holders of our common stock have no preemptive, subscription, redemption or conversion rights and no sinking fund provisions are applicable to our common stock. The rights, preferences and privileges of holders of common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

### Redeemable Convertible Preferred stock

Immediately prior to completion of this offering, all outstanding shares of our redeemable convertible preferred stock will be converted into shares of our common stock. Upon the completion of this offering, our board of directors will be authorized, without action by the stockholders, to designate and issue up to an aggregate of \_\_\_\_\_ shares of preferred stock in one or more series. Our board of directors can designate the rights, preferences and privileges of the shares of each series and any of its qualifications, limitations or restrictions. Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of common stock. The issuance of preferred stock, while providing flexibility in connection with possible future financings and acquisitions and other corporate purposes could, under certain circumstances, have the effect of restricting dividends on our common stock, diluting the voting power of our common stock, impairing the liquidation rights of our common stock, or delaying, deferring or preventing a change in control of our company, which might harm the market price of our common stock. See also “—Anti-takeover

effects of Delaware Law and provisions of our amended and restated certificate of incorporation and bylaws—Provisions of our amended and restated certificate of incorporation and bylaws—Undesignated preferred stock” below.

Our board of directors will make any determination to issue such shares based on its judgment as to our company's best interests and the best interests of our stockholders. Upon the completion of this offering, we will have no shares of preferred stock outstanding and we have no current plans to issue any shares of preferred stock following completion of this offering.

### **Options and Restricted Stock**

As of March 31, 2021, we had outstanding options to purchase 1,625,055 shares of our common stock, with a per share weighted-average exercise price of \$3.63 under our 2020 Plan and 954,908 shares of our restricted common stock outstanding.

### **Registration rights**

Upon the completion of this offering, the holders of \_\_\_\_\_ shares of our common stock, including shares issuable upon the conversion of our redeemable convertible preferred stock, or their permitted transferees, which we refer to as our registrable securities, are entitled to rights with respect to the registration of these securities under the Securities Act. These rights are provided under the terms of the investor rights agreement. The investor rights agreement includes demand registration rights, short-form registration rights and piggyback registration rights. All fees, costs and expenses incurred in connection with registrations under the investor rights agreement will be borne by us, and all selling expenses, including underwriting discounts and selling commissions, will be borne by the holders of the shares being registered.

#### ***Demand registration rights***

Beginning 180 days after the effective date of this registration statement, the holders of our registrable securities are entitled to demand registration rights. Under the terms of our investor rights agreement, we will be required, upon the request of holders of at least a majority of our outstanding registrable securities, to file a registration statement and use commercially reasonable efforts to effect the registration of these shares for public resale. We are required to effect up to two registrations pursuant to this provision of the investor rights agreement.

#### ***Short form registration rights***

Upon the completion of this offering, the holders of our registrable securities are also entitled to short form registration rights. Pursuant to our investor rights agreement, if we are eligible to file a registration statement on Form S-3, upon the request of holders of at least 20% of our outstanding registrable securities to sell registrable securities with an anticipated aggregate offering amount of at least \$5.0 million net of certain expenses related to the offering, we will be required to use our commercially reasonable efforts to effect a registration of such shares. We are required to effect up to two registrations in any twelve month period pursuant to this provision of the investor rights agreement.

#### ***Piggyback registration rights***

The holders of our registrable securities are entitled to piggyback registration rights. If we register any of our securities either for our own account or for the account of other security holders, the holders of our outstanding registrable securities are entitled to include their shares in the registration. Subject to certain exceptions contained in the investor rights agreement, we and the underwriters may limit the number of shares included in the underwritten offering if the underwriters determine that marketing factors require a limitation of the number of shares to be underwritten.

### ***Indemnification***

Our investor rights agreement contains customary cross-indemnification provisions, under which we are obligated to indemnify holders of registrable securities in the event of material misstatements or omissions in the registration statement attributable to us, and they are obligated to indemnify us for material misstatements or omissions attributable to them.

### ***Expenses of registration***

We will pay the registration expenses, subject to certain limited exceptions contained in the investor rights agreement, of the holders of the shares registered pursuant to the demand, short form and piggyback registration rights described above, including the expenses of one counsel for the selling holders.

### ***Expiration of registration rights***

The registration rights granted under the investor rights agreement will terminate upon the earlier of (i) a deemed liquidation event, as defined in our amended and restated certificate of incorporation (as in effect prior to the completion of this offering) or certain other events constituting a sale of the company, (ii) at such time after our initial public offering when all registrable securities could be sold under Rule 144 of the Securities Act or a similar exemption without limitation during a three-month period without registration or (iii) the fifth anniversary of our initial public offering.

### ***Anti-takeover effects of Delaware Law and provisions of our amended and restated certificate of incorporation and bylaws***

Certain provisions of the Delaware General Corporation Law and of our amended and restated certificate of incorporation and bylaws that will become effective immediately prior to the completion of this offering could have the effect of delaying, deferring or discouraging another party from acquiring control of us. These provisions, which are summarized below, are expected to discourage certain types of coercive takeover practices and inadequate takeover bids and, as a consequence, they might also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions are also designed in part to encourage anyone seeking to acquire control of us to first negotiate with our board of directors. These provisions might also have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders might otherwise deem to be in their best interests. However, we believe that the advantages gained by protecting our ability to negotiate with any unsolicited and potentially unfriendly acquirer outweigh the disadvantages of discouraging such proposals, including those priced above the then-current market value of our common stock, because, among other reasons, the negotiation of such proposals could improve their terms.

### ***Delaware takeover statute***

Upon completion of this offering, we will be subject to the provisions of Section 203 of the Delaware General Corporation Law. 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, exchange, mortgage 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; or
- 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.

***Provisions of our amended and restated certificate of incorporation and bylaws***

Our amended and restated certificate of incorporation and bylaws to be in effect immediately prior to completion of this offering will include a number of provisions that may have the effect of delaying, deferring or discouraging 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.* In accordance with our amended and restated certificate of incorporation, our board is divided into three classes serving staggered three-year terms, with one class being elected each year. Our amended and restated certificate of incorporation also provides that directors may be removed only for cause and then only by the affirmative vote of the holders of at least 75% 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.

*No written consent of stockholders.* Our amended and restated certificate of incorporation provides 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 bylaws or removal of directors by our stockholder without holding a meeting of stockholders.

*Meetings of stockholders.* Our bylaws 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 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 bylaws 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 or more than 120 days prior to the first anniversary date of the annual meeting for the preceding year. The notice must contain certain information specified in our bylaws.

*Amendment to certificate of incorporation and bylaws.* As required by the Delaware General Corporation Law, any amendment of 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, directors, limitation of liability and the amendment of our amended and restated certificate of incorporation must be approved by not less than 75% of the outstanding shares entitled to vote on the amendment, and not less than 75% of the outstanding shares of each class entitled to vote thereon as a class. Our bylaws may be amended by the affirmative vote of a majority vote of the directors then in office, subject to any limitations set forth in the bylaws; and may also be amended by the affirmative vote of at least 75% of the outstanding shares entitled to vote on the amendment, or, if the 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 provides for authorized shares of preferred stock. The existence of authorized but unissued shares of preferred stock may enable our board of directors to render more difficult or 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 us or 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 grants 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.

*Exclusive forum.* Our amended and restated bylaws provide that the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for any state law claims for: (i) any derivative action or proceeding brought on behalf of our company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors or officers to the company or our stockholders, (iii) any action asserting a claim against our company arising pursuant to any provision of the Delaware General Corporation Law or our certificate of incorporation or bylaws, (iv) any action to interpret, apply, enforce, or determine the validity of our certificate of incorporation or bylaws, or (v) any action asserting a claim against our company governed by the internal affairs doctrine. This

exclusive forum provision will not apply to any causes of action arising under the Securities Act or the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. In addition, unless we consent in writing to the selection of an alternate forum, the U.S. federal district courts shall be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. Although our amended and restated bylaws contain the choice of forum provision described above, it is possible that a court could rule that such provisions are inapplicable for a particular claim or action or that such provisions are unenforceable.

**Transfer agent and registrar**

The transfer agent and registrar for our common stock is . The transfer agent and registrar's address is .

**Listing**

We intend to apply to list our common stock on the Nasdaq Global Market under the symbol "ABSI."

**Limitations of liability and indemnification matters**

For a discussion of liability and indemnification, see "Management—Limitation on liability and indemnification matters."

## Shares Eligible for Future Sale

Prior to this offering, there has been no public market for our common stock. Future sales of our common stock in the public market, or the availability of such shares for sale in the public market, could adversely affect market prices prevailing from time to time. As described below, only a limited number of shares will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nevertheless, sales of our common stock in the public market after such restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price at such time and our ability to raise equity capital in the future.

### Sale of restricted shares

Based on the number of shares of common stock outstanding as of March 31, 2021, upon completion of this offering, \_\_\_\_\_ shares of common stock will be outstanding, assuming no exercise by the underwriters of their option to purchase additional shares and no exercise of options. All of the shares sold in this offering will be freely tradable. The remaining shares of common stock outstanding after this offering will be restricted as a result of securities laws or lock-up agreements as described below. Following the expiration of the lock-up period, all shares will be eligible for resale in compliance with Rule 144 or Rule 701 under the Securities Act. "Restricted securities" as defined under Rule 144 of the Securities Act were issued and sold by us in reliance on exemptions from the registration requirements of the Securities Act. These shares may be sold in the public market only if registered or qualified for an exemption from registration, such as under Rule 144 or Rule 701 under the Securities Act.

### Rule 144

In general, a person who has beneficially owned restricted stock for at least six months would be entitled to sell their securities provided that (i) such person is not deemed to have been one of our affiliates at the time of, or at any time during the 90 days preceding, a sale and (ii) we are subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. Persons who have beneficially owned restricted shares for at least six months but who are our affiliates at the time of, or any time during the 90 days preceding, a sale, would be subject to additional restrictions, by which such person would be entitled to sell within any three-month period only a number of securities that does not exceed the greater of either of the following:

- 1% of the number of shares then outstanding, which will equal approximately \_\_\_\_\_ shares immediately after this offering assuming no exercise of the underwriters' option to purchase additional shares, based on the number of shares outstanding as of March 31, 2021; or
- the average weekly trading volume of our common stock on the Nasdaq Global Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale;

provided, in each case, that we have been subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. Such sales both by affiliates and by non-affiliates must also comply with the manner of sale, current public information and notice provisions of Rule 144.

### Rule 701

Rule 701 under the Securities Act (Rule 701), as in effect on the date of this prospectus, permits resales of shares in reliance upon Rule 144 but without compliance with certain restrictions of Rule 144, including the holding period requirement. Most of our employees, executive officers or directors who purchased shares under a written compensatory plan or contract may be entitled to rely on the resale provisions of Rule 701, but all holders of Rule 701 shares are required to wait until

90 days after the date of this prospectus before selling their shares. However, substantially all Rule 701 shares are subject to lock-up agreements as described below and under “Underwriting” included elsewhere in this prospectus and will become eligible for sale upon the expiration of the restrictions set forth in those agreements.

### **Lock-up agreements**

In connection with this offering, we, each of our directors and executive officers, and holders of substantially all of our securities have agreed with the underwriters that for a period of 180 days following the date of this prospectus, subject to certain exceptions, we and they will not offer, sell, assign, transfer, pledge, contract to sell or otherwise dispose of or hedge any shares of our common stock or any securities convertible into or exchangeable for shares of our common stock. The representatives of the underwriters may, in their sole discretion, at any time, release all or any portion of the shares from the restrictions in this agreement.

### **Rule 10b5-1 trading plans**

Following the completion of this offering, certain of our officers, directors and significant stockholders may adopt written plans, known as Rule 10b5-1 trading plans, in which they will contract with a broker to buy or sell shares of our common stock on a periodic basis to diversify their assets and investments. Under these 10b5-1 trading plans, a broker may execute trades pursuant to parameters established by the officer, director or stockholder when entering into the plan, without further direction from such officer, director or stockholder. Such sales would not commence until the expiration of the applicable lock-up agreements entered into by such officer, director or stockholder in connection with this offering.

### **Registration rights**

We are party to an investor rights agreement which provides that holders holding \_\_\_\_\_ shares of our common stock, including shares issuable upon the conversion of our redeemable convertible preferred stock, have the right to demand that we file a registration statement or request that their shares of our common stock be covered by a registration statement that we are otherwise filing. See “Description of Capital Stock—Registration rights” in this prospectus. Except for shares purchased by affiliates, registration of their shares under the Securities Act would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon effectiveness of the registration, subject to the expiration of the lock-up period described above and under “Underwriting” in this prospectus, and to the extent such shares have been released from any repurchase option that we may hold.

### **Equity incentive plans**

As soon as practicable after the completion of this offering, we intend to file a Form S-8 registration statement under the Securities Act to register shares of our common stock subject to options and other equity awards outstanding or reserved for issuance under our equity incentive plans. This registration statement will become effective immediately upon filing, and shares covered by this registration statement will thereupon be eligible for sale in the public markets, subject to Rule 144 limitations applicable to affiliates and any lock-up agreements. For a more complete discussion of our equity incentive plans, see “Executive and Director Compensation—Employee Benefits and Stock Plans.”



## Material U.S. Federal Income Tax Considerations to Non-U.S. Holders

The following discussion is a summary of the material U.S. federal income tax considerations applicable to non-U.S. holders (as defined below) with respect to their ownership and disposition of shares of our common stock issued pursuant to this offering. For purposes of this discussion, a non-U.S. holder means a beneficial owner of our common stock that is for U.S. federal income tax purposes:

- a non-resident alien individual;
- a foreign corporation or any other foreign organization taxable as a corporation for U.S. federal income tax purposes; or
- a foreign estate or trust, the income of which is not subject to U.S. federal income tax on a net income basis.

This discussion does not address the tax treatment of partnerships or other entities that are pass-through entities for U.S. federal income tax purposes or persons that hold their common stock through partnerships or other pass-through entities. A partner in a partnership or an investor in any other pass-through entity that will hold our common stock should consult his, her or its tax advisor regarding the tax consequences of purchasing, owning and disposing of our common stock through a partnership or other pass-through entity, as applicable.

This discussion is based on current provisions of the Internal Revenue Code of 1986 as amended (the Code), U.S. Treasury Regulations promulgated thereunder, current administrative rulings and judicial decisions, all as in effect as of the date of this prospectus and, all of which are subject to change or to differing interpretation, possibly with retroactive effect. Any such change or differing interpretation could alter the tax consequences to non-U.S. holders described in this prospectus. There can be no assurance that the Internal Revenue Service, which we refer to as the IRS, will not challenge one or more of the tax consequences described herein. We assume in this discussion that a non-U.S. holder holds shares of our common stock as a capital asset within the meaning of Section 1221 of the Code, generally property held for investment.

This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular non-U.S. holder in light of that non-U.S. holder's individual circumstances including the alternative minimum tax, or the Medicare tax on net investment income, the rules regarding qualified small business stock within the meaning of Section 1202 of the Code and any election to apply Section 1400Z-2 of the Code to gains recognized with respect to shares of our common stock. This discussion also does not address any U.S. state, local or non-U.S. taxes or any other aspect of any U.S. federal tax other than the income tax. This discussion also does not consider any specific facts or circumstances that may apply to a non-U.S. holder and does not address the special tax rules applicable to particular non-U.S. holders, such as:

- insurance companies;
- tax-exempt or governmental organizations;
- financial institutions;
- broker-dealers and traders in securities;
- regulated investment companies;
- pension plans;

- “controlled foreign corporations,” “passive foreign investment companies,” and corporations that accumulate earnings to avoid U.S. federal income tax;
- “qualified foreign pension funds,” or entities wholly owned by a “qualified foreign pension fund”;
- persons deemed to sell our common stock under the constructive sale provisions of the Code;
- persons that hold our common stock as part of a straddle, hedge, conversion transaction, synthetic security or other integrated investment;
- persons who have elected to mark securities to market;
- persons who have a functional currency other than the U.S. dollar;
- persons who hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- certain U.S. expatriates; and
- persons subject to special tax accounting rules as a result of any item of gross income with respect to the common stock being taken into account in an applicable financial statement under Section 451(b) of the Code.

This discussion is for general information only and is not tax advice. Accordingly, all prospective non-U.S. holders of our common stock should consult their tax advisors with respect to the U.S. federal, state, local and non-U.S. tax consequences of the purchase, ownership and disposition of our common stock.

#### **Distributions on our common stock**

Distributions, if any, on our common stock 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. If a distribution exceeds our current and accumulated earnings and profits, the excess will be treated as a tax-free return of the non-U.S. holder’s investment, up to such holder’s tax basis in the common stock. Any remaining excess will be treated as capital gain, subject to the tax treatment described below in “Gain on sale or other taxable disposition of our common stock.” Any such distributions will also be subject to the discussions below under the sections titled “Backup withholding and information reporting” and “Withholding and information reporting requirements—FATCA.”

Subject to the discussion in the following two paragraphs in this section, dividends paid to a non-U.S. holder generally will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty between the United States and such holder’s country of residence. If we or another withholding agent apply over-withholding or if a non-U.S. holder does not timely provide us with the required certification, the non-U.S. holder may be entitled to a refund or credit of any excess tax withheld by timely filing an appropriate claim with the IRS.

Dividends that are treated as effectively connected with a trade or business conducted by a non-U.S. holder within the United States and, if an applicable income tax treaty so provides, that are attributable to a permanent establishment or a fixed base maintained by the non-U.S. holder within the United States, are generally exempt from the 30% withholding tax if the non-U.S. holder satisfies applicable certification and disclosure requirements. However, such U.S. effectively connected income, net of specified deductions and credits, is taxed at the regular U.S. federal income tax rates applicable to United States persons (as defined in the Code). Any U.S. effectively connected income received by a non-U.S. holder that is a corporation may also, under certain

circumstances, be subject to an additional “branch profits tax” at a 30% rate or such lower rate as may be specified by an applicable income tax treaty between the United States and such holder’s country of residence.

A non-U.S. holder of our common stock who claims the benefit of an applicable income tax treaty between the United States and such holder’s country of residence generally will be required to provide a properly executed IRS Form W-8BEN or W-8BEN-E (or successor form) to the applicable withholding agent and satisfy applicable certification and other requirements. Non-U.S. holders are urged to consult their tax advisors regarding their entitlement to benefits under a relevant income tax treaty. A non-U.S. holder that is eligible for a reduced rate of U.S. withholding tax under an income tax treaty may obtain a refund or credit of any excess amounts withheld by timely filing a U.S. tax return with the IRS.

#### **Gain on sale or other taxable disposition of our common stock**

Subject to the discussions below under “Backup withholding and information reporting” and “Withholding and information reporting requirements—FATCA,” a non-U.S. holder generally will not be subject to any U.S. federal income tax on any gain realized upon such holder’s sale or other taxable disposition of shares of our common stock unless:

- the gain is effectively connected with the non-U.S. holder’s conduct of a U.S. trade or business and, if an applicable income tax treaty so provides, is attributable to a permanent establishment or a fixed-base maintained by such non-U.S. holder in the United States, in which case the non-U.S. holder generally will be taxed on a net income basis at the regular U.S. federal income tax rates applicable to United States persons (as defined in the Code) and, if the non-U.S. holder is a foreign corporation, the branch profits tax described above in “Distributions on our common stock” also may apply;
- the non-U.S. holder is a nonresident alien individual who is present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met, in which case the non-U.S. holder will be subject to a 30% tax (or such lower rate as may be specified by an applicable income tax treaty between the United States and such holder’s country of residence) on the net gain derived from the disposition, which may be offset by certain U.S. source capital losses of the non-U.S. holder, if any (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; or
- we are, or have been, at any time during the five-year period preceding such sale or other taxable disposition (or the non-U.S. holder’s holding period, if shorter) a “United States real property holding corporation,” unless our common stock is regularly traded on an established securities market and the non-U.S. holder holds no more than 5% of our outstanding common stock, directly and indirectly, actually and constructively, during the shorter of the 5-year period ending on the date of the disposition or the period that the non-U.S. holder held our common stock. Generally, a corporation is a U.S. real property holding corporation only if the fair market value of its U.S. real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business. Although there can be no assurance, we do not believe that we are, or have been, a U.S. real property holding corporation, or that we are likely to become one in the future. No assurance can be provided that our common stock will be regularly traded on an established securities market for purposes of the rules described above.

#### **Backup withholding and information reporting**

We must report annually to the IRS and to each non-U.S. holder the gross amount of the distributions on our common stock paid to such holder and the tax withheld, if any, with respect to

such distributions. Non-U.S. holders may have to comply with specific certification procedures to establish that the holder is not a U.S. person (as defined in the Code) in order to avoid backup withholding at the applicable rate with respect to dividends on our common stock. Dividends paid to non-U.S. holders subject to withholding of U.S. federal income tax, as described above in "Distributions on Our Common Stock," generally will be exempt from U.S. backup withholding.

Information reporting and backup withholding will generally apply to the proceeds of a disposition of our common stock by a non-U.S. holder effected by or through the U.S. office of any broker, U.S. or foreign, unless the holder certifies its status as a non-U.S. holder and satisfies certain other requirements, or otherwise establishes an exemption. Generally, information reporting and backup withholding will not apply to a payment of disposition proceeds to a non-U.S. holder where the transaction is effected outside the United States through a non-U.S. office of a broker. However, for information reporting purposes, dispositions effected through a non-U.S. office of a broker with substantial U.S. ownership or operations generally will be treated in a manner similar to dispositions effected through a U.S. office of a broker. Non-U.S. holders should consult their tax advisors regarding the application of the information reporting and backup withholding rules to them. Copies of information returns may be made available to the tax authorities of the country in which the non-U.S. holder resides or is incorporated under the provisions of a specific treaty or agreement. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a non-U.S. holder can be refunded or credited against the non-U.S. holder's U.S. federal income tax liability, if any, provided that an appropriate claim is filed with the IRS in a timely manner.

#### **Withholding and information reporting requirements — FATCA**

Provisions of the Code commonly referred to as the Foreign Account Tax Compliance Act (FATCA), generally imposes a U.S. federal withholding tax at a rate of 30% on payments of dividends on our common stock paid to a foreign entity unless (i) if the foreign entity is a "foreign financial institution," such foreign entity undertakes certain due diligence, reporting, withholding, and certification obligations, (ii) if the foreign entity is not a "foreign financial institution," such foreign entity identifies certain of its U.S. investors, if any, or (iii) the foreign entity is otherwise exempt under FATCA. Under applicable U.S. Treasury regulations, withholding under FATCA currently applies to payments of dividends on our common stock. While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of stock on or after January 1, 2019, proposed U.S. Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers (including withholding agents) can currently rely on the proposed U.S. Treasury Regulations. Under certain circumstances, a non-U.S. holder may be eligible for refunds or credits of this withholding tax. An intergovernmental agreement between the United States and an applicable foreign country may modify the requirements described in this paragraph. Non-U.S. holders should consult their tax advisors regarding the possible implications of this legislation on their investment in our common stock and the entities through which they hold our common stock, including, without limitation, the process and deadlines for meeting the applicable requirements to prevent the imposition of the 30% withholding tax under FATCA.

## Underwriting

We are offering the shares of common stock described in this prospectus through a number of underwriters. J.P. Morgan Securities LLC, Credit Suisse Securities (USA) LLC, BofA Securities, Inc. and Cowen and Company, LLC are acting as joint book running managers of the offering and as representatives of the underwriters. We have entered into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, we have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the number of shares of common stock listed next to its name in the following table:

NAME	NUMBER OF SHARES
J.P. Morgan Securities LLC	
Credit Suisse Securities (USA) LLC	
BofA Securities, Inc.	
Cowen and Company, LLC	
Stifel, Nicolaus & Company, Incorporated	
Total	

The underwriters are committed to purchase all the shares of common stock offered by us if they purchase any shares.

The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

The underwriters propose to offer the shares of common stock directly to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of \$ \_\_\_\_\_ per share. After the initial offering of the shares to the public, if all of the shares of common stock are not sold at the initial public offering price, the underwriters may change the offering price and the other selling terms. Sales of any shares made outside of the United States may be made by affiliates of the underwriters.

The underwriters have an option to buy up to \_\_\_\_\_ additional shares of common stock from us to cover sales of shares by the underwriters which exceed the number of shares specified in the table above. The underwriters have 30 days from the date of this prospectus to exercise this option to purchase additional shares. If any shares are purchased with this option to purchase additional shares, the underwriters will purchase shares in approximately the same proportion as shown in the table above. If any additional shares of common stock are purchased, the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

The underwriting fee is equal to the public offering price per share of common stock less the amount paid by the underwriters to us per share of common stock. The underwriting fee is \$ \_\_\_\_\_ per share. The following table shows the per share and total underwriting discounts and

commissions to be paid to the underwriters assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	WITHOUT OPTION TO PURCHASE ADDITIONAL SHARES EXERCISE	WITH FULL OPTION TO PURCHASE ADDITIONAL SHARES EXERCISE
Per Share	\$	\$
Total	\$	\$

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately \$ . We have also agreed to reimburse the underwriters for certain of their expenses incurred in connection with, among others, the review and clearance by the Financial Industry Regulatory Authority, Inc. in an amount not to exceed \$ .

A prospectus in electronic format may be made available on the web sites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

We have agreed that we will not (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, or submit to, or file with, the Securities and Exchange Commission a registration statement under the Securities Act of 1933, or the Securities Act, relating to, any shares of our common stock or securities convertible into or exercisable or exchangeable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, loan, disposition or filing, or (ii) enter into any swap or other arrangement that transfers all or a portion of the economic consequences associated with the ownership of any shares of common stock or any such other securities (regardless of whether any of these transactions are to be settled by the delivery of shares of common stock or such other securities, in cash or otherwise), in each case without the prior written consent of J.P. Morgan Securities LLC, Credit Suisse Securities (USA) LLC, BofA Securities, Inc. and Cowen and Company, LLC for a period of 180 days after the date of this prospectus, other than the shares of our common stock to be sold in this offering.

Our directors and executive officers, and certain of our significant stockholders (such persons, the lock-up parties) have entered into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which each lock-up party, with limited exceptions, for a period of 180 days after the date of this prospectus (such period, the restricted period), may not (and may not cause any of their direct or indirect affiliates to), without the prior written consent of J.P. Morgan Securities LLC, Credit Suisse Securities (USA) LLC, BofA Securities, Inc. and Cowen and Company, LLC, (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for our common stock (including, without limitation, common stock or such other securities which may be deemed to be beneficially owned by such lock-up parties in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a stock option or warrant (collectively with the common stock, the lock-up securities)), (2) enter into any hedging, swap or other agreement or transaction that transfers, in whole or in part, any of the economic consequences of ownership of the lock-up securities, whether any such transaction described in clause (1) or (2) above is to be settled by

delivery of lock-up securities, in cash or otherwise, (3) make any demand for, or exercise any right with respect to, the registration of any lock-up securities, or (4) publicly disclose the intention to do any of the foregoing. Such persons or entities have further acknowledged that these undertakings preclude them from engaging in any hedging or other transactions or arrangements (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) designed or intended, or which could reasonably be expected to lead to or result in, a sale or disposition or transfer (by any person or entity, whether or not a signatory to such agreement) of any economic consequences of ownership, in whole or in part, directly or indirectly, of any lock-up securities, whether any such transaction or arrangement (or instrument provided for thereunder) would be settled by delivery of lock-up securities, in cash or otherwise. The lock-up party further confirms that it has furnished J.P. Morgan Securities LLC, Credit Suisse Securities (USA) LLC, BofA Securities, Inc. and Cowen and Company, LLC with the details of any transaction that the lock-up party, or any of its affiliates, is a party to as of the date of this prospectus, which transaction would have been restricted by the lock-up agreement if it had been entered into by the lock-up party during the restricted period.

The restrictions described in the immediately preceding paragraph and contained in the lock-up agreements between the underwriters and the lock-up parties do not apply, subject in certain cases to various conditions, to certain transactions, including (a) transfers of lock-up securities: (i) as bona fide gifts, or for bona fide estate planning purposes, (ii) by will, other testamentary document or intestacy, (iii) to any trust or other entity for the direct or indirect benefit of the lock-up party or any immediate family member, or if the lock-up party is a trust, to a trustor or beneficiary of the trust or to the estate of a beneficiary of such trust, (iv) to a corporation, partnership, limited liability company, trust or other entity of which the lock-up party and its immediate family members are the legal and beneficial owner of all of the outstanding equity securities or similar interests or are under common control with 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), (vi) in the case of a corporation, partnership, limited liability company, trust or other business entity, (A) to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate of the lock-up party, or to any investment fund or other entity controlling, controlled by, managing or managed by or under common control with the lock-up party or its affiliates (including, for the avoidance of doubt, where the lock-up party 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 distribution to members, partners or equity holders of the lock-up party, (vii) by operation of law, (viii) to us from an employee, independent contractor or other service provider upon death, disability or termination of employment or cessation of services, in each case, of such employee, independent contractor or service provider, (ix) as part of a sale of lock-up securities acquired from the underwriters in this offering or in open market transactions after the date of this prospectus, (x) to us in connection with the vesting, settlement or exercise of restricted stock units, options, warrants or other rights to purchase shares of our common stock (including, in each case, by way of "net" or "cashless" exercise), including for the payment of exercise price and tax and remittance payments due as a result of the vesting, settlement, or exercise of such restricted stock units, options, warrants or rights, provided that any such shares of our common stock received upon such exercise, vesting or settlement shall be subject to the terms of the lock-up agreement, and provided further that any such restricted stock units, options, warrants or rights are held by the lock-up party pursuant to an agreement or equity awards granted under a stock incentive plan or other equity award plan, each such agreement or plan which is described in this prospectus, or (xi) pursuant to a bona fide third party tender offer, merger, consolidation or other similar transaction approved by our board of directors and made to all stockholders involving a change in control, provided that if such transaction is not completed, all such lock-up securities would remain subject to the restrictions in the immediately preceding paragraph; (b) exercise of the options, settlement of RSUs or other equity awards, or the exercise of warrants granted pursuant to plans or arrangements described in this prospectus, provided that any lock-up securities received upon such exercise, vesting or

settlement would be subject to restrictions similar to those in the immediately preceding paragraph; (c) the conversion of outstanding preferred stock, warrants to acquire preferred stock or convertible securities into shares of our common stock or warrants to acquire shares of our common stock, provided that any common stock or warrant received upon such conversion would be subject to restrictions similar to those in the immediately preceding paragraph; and (d) the establishment by lock-up parties of trading plans pursuant to Rule 10b5-1 under the Exchange Act for the transfer of lock-up securities, provided that such plan does not provide for the transfer of lock-up securities during the restricted period and no filing by any person under the Exchange Act or other public announcement shall be required or made voluntarily in connection with the establishment of the trading plan during the restricted period in contravention of the lock-up agreement.

J.P. Morgan Securities LLC, Credit Suisse Securities (USA) LLC, BofA Securities, Inc. and Cowen and Company, LLC, in their sole discretion, may release the securities subject to any of the lock-up agreements with the underwriters described above, in whole or in part at any time.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act.

We intend to apply to list our common stock on the Nasdaq Global Market under the symbol "ABSI."

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling shares of common stock in the open market for the purpose of preventing or retarding a decline in the market price of the common stock while this offering is in progress. These stabilizing transactions may include making short sales of common stock, which involves the sale by the underwriters of a greater number of shares of common stock than they are required to purchase in this offering, and purchasing shares of common stock on the open market to cover positions created by short sales. Short sales may be "covered" shorts, which are short positions in an amount not greater than the underwriters' option to purchase additional shares referred to above, or may be "naked" shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by exercising their option to purchase additional shares, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the underwriters may purchase shares through the option to purchase additional shares. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase shares in the open market to cover the position.

The underwriters have advised us that, pursuant to Regulation M of the Securities Act, they may also engage in other activities that stabilize, maintain or otherwise affect the price of the common stock, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase common stock in the open market in stabilizing transactions or to cover short sales, the representatives can require the underwriters that sold those shares as part of this offering to repay the underwriting discount received by them.

These activities may have the effect of raising or maintaining the market price of the common stock or preventing or retarding a decline in the market price of the common stock, and, as a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on the Nasdaq Global Market, in the over the counter market or otherwise.

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be determined by negotiations between us and the representatives of the



underwriters. In determining the initial public offering price, we and the representatives of the underwriters expect to consider a number of factors including:

- the information set forth in this prospectus and otherwise available to the representatives;
- our prospects and the history and prospects for the industry in which we compete;
- an assessment of our management;
- our prospects for future earnings;
- the general condition of the securities markets at the time of this offering;
- the recent market prices of, and demand for, publicly-traded common stock of generally comparable companies; and
- other factors deemed relevant by the underwriters and us.

Neither we nor the underwriters can assure investors that an active trading market will develop for our shares of common stock, or that the shares will trade in the public market at or above the initial public offering price.

### **Other relationships**

Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In addition, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future.

### **Selling restrictions**

#### *General*

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

#### *Notice to prospective investors in Canada*

The shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

*Notice to prospective investors in the European Economic Area*

In relation to each Member State of the European Economic Area (each an "EEA State"), no shares have been offered or will be offered pursuant to the offering to the public in that EEA State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that EEA State or, where appropriate, approved in another EEA State and notified to the competent authority in that EEA State, all in accordance with the EU Prospectus Regulation, except that it may make an offer to the public in that EEA State of any shares at any time under the following exemptions under the EU Prospectus Regulation:

- (a) to any legal entity which is a qualified investor as defined under the EU Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the EU Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation, provided that no such offer of the shares shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the shares in any EEA State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares, and the expression "EU Prospectus Regulation" means Regulation (EU) 2017/1129.

*Notice to prospective investors in the United Kingdom*

In relation to the United Kingdom, no shares have been offered or will be offered pursuant to the offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the shares which has been approved by the Financial Conduct Authority in accordance with the UK Prospectus Regulation, except that it may make an offer to the public in the United Kingdom of any shares at any time under the following exemptions under the UK Prospectus Regulation:

- (d) to any legal entity which is a qualified investor as defined under the UK Prospectus Regulation;
- (e) to fewer than 150 natural or legal persons (other than qualified investors as defined under the UK Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or
- (f) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation.

provided that no such offer of the shares shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

In the United Kingdom, the offering is only addressed to, and is directed only at, “qualified investors” within the meaning of Article 2(e) of the UK Prospectus Regulation, who are also (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Order; or (iii) persons to whom it may otherwise lawfully be communicated (all such persons being referred to as “relevant persons”). This document must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

For the purposes of this provision, the expression an “offer to the public” in relation to the shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offering and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares, and the expression “UK Prospectus Regulation” means the UK version of Regulation (EU) No 2017/1129 as amended by The Prospectus (Amendment etc.) (EU Exit) Regulations 2019, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018.

#### *Notice to prospective investors in Switzerland*

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (SIX) or on any other stock exchange or regulated trading facility in Switzerland. This document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering of the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA), and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (CISA). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

#### *Notice to prospective investors in Australia*

This prospectus:

- does not constitute a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (Corporations Act);
- has not been, and will not be, lodged with the Australian Securities and Investments Commission (ASIC), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document for the purposes of the Corporations Act; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors, available under section 708 of the Corporations Act (Exempt Investors).

The shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any shares may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the shares, you represent and warrant to us that you are an Exempt Investor.

As any offer of shares under this document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the shares you undertake to us that you will not, for a period of 12 months from the date of issue of the shares, offer, transfer, assign or otherwise alienate those shares to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

#### *Notice to prospective investors in Japan*

The shares have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act. Accordingly, none of the shares nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any "resident" of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

#### *Notice to prospective investors in Hong Kong*

The shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (SFO) of Hong Kong and any rules made thereunder; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the CO) or which do not constitute an offer to the public within the meaning of the CO. No advertisement, invitation or document relating to the shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made thereunder.

#### *Notice to prospective investors in Singapore*

Singapore SFA Product Classification — In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of shares, we have determined, and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA), that the shares are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA).

04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.

Each underwriter has acknowledged that this prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each underwriter has represented and

agreed that it has not offered or sold any shares or caused the shares to be made the subject of an invitation for subscription or purchase and will not offer or sell any shares or cause the shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares, whether directly or indirectly, to any person in Singapore other than:

- (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA;
- (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA and in accordance with the conditions specified in Section 275 of the SFA; or
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except
  - (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 276(4)(i)(B) of the SFA;
  - (ii) where no consideration is or will be given for the transfer;
  - (iii) where the transfer is by operation of law;
  - (iv) as specified in Section 276(7) of the SFA; or
  - (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

#### *Notice to prospective investors in China*

This prospectus will not be circulated or distributed in the PRC and the shares will not be offered or sold, and will not be offered or sold to any person for re-offering or resale directly or indirectly to any residents of the PRC except pursuant to any applicable laws and regulations of the PRC. Neither this prospectus nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with applicable laws and regulations.

#### *Notice to prospective investors in Korea*

The shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (FSCMA), and the shares have been and will be offered in Korea as a private placement under the FSCMA. None of the shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to

the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (FETL). The shares have not been listed on any of securities exchanges in the world including, without limitation, the Korea Exchange in Korea. Furthermore, the purchaser of the shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the shares. By the purchase of the shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the shares pursuant to the applicable laws and regulations of Korea.

*Notice to prospective investors in Taiwan*

The shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the shares in Taiwan.

*Notice to prospective investors in Saudi Arabia*

This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations as issued by the board of the Saudi Arabian Capital Market Authority (CMA) pursuant to resolution number 2-11-2004 dated 4 October 2004 as amended by resolution number 1-28-2008, as amended. The CMA does not make any representation as to the accuracy or completeness of this document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorized financial advisor.

*Notice to prospective investors in the Dubai International Financial Centre (DIFC)*

This document relates to an Exempt Offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority (DFSA). This document is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for this document. The securities to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

*Notice to prospective investors in the United Arab Emirates*

The shares have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the DIFC) other than in compliance with the laws of the United Arab Emirates (and the DIFC) 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 DIFC) and is not intended to be a public offer. This prospectus has not been approved by or filed

with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the DFSA.

*Notice to prospective investors in Bermuda*

Shares may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act of 2003 of Bermuda which regulates the sale of securities in Bermuda. Additionally, non-Bermudian persons (including companies) may not carry on or engage in any trade or business in Bermuda unless such persons are permitted to do so under applicable Bermuda legislation.

*Notice to prospective investors in the British Virgin Islands*

The shares are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on behalf of us. The shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

*Notice to prospective investors in South Africa*

Due to restrictions under the securities laws of South Africa, no “offer to the public” (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (South African Companies Act)) is being made in connection with the issue of the shares in South Africa. Accordingly, this document does not, nor is it intended to, constitute a “registered prospectus” (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. The shares are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions stipulated in section 96(1) applies:

- Section 96(1)(a)            The offer, transfer, sale renunciation or delivery is to:
- (i) persons whose ordinary business, or part of whose ordinary business, is to deal in securities, as principal or agent;
  - (ii) the South African Public Investment Corporation;
  - (iii) persons or entities regulated by the Reserve Bank of South Africa;
  - (iv) authorized financial service providers under South African law;
  - (v) financial institutions recognized as such under South African law;
  - (vi) a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorized portfolio manager for a pension fund, or as manager for a collective investment scheme (in each case duly registered as such under South African law); or
  - (vii) any combination of the person in (i) to (vi); or
- Section 96(1)(b)            the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000 or such higher amount as may be promulgated by notice in the Government Gazette of South Africa pursuant to section 96(2)(a) of the South African Companies Act.

Information made available in this prospectus should not be considered as “advice” as defined in the South African Financial Advisory and Intermediary Services Act, 2002.

*Notice to prospective investors in Israel*

This document does not constitute a prospectus under the Israeli Securities Law, 5728-1968, (the Israeli Securities Law), and has not been filed with or approved by the Israel Securities Authority. In Israel, this prospectus is being distributed only to, and is directed only at, and any offer of the shares of common stock is directed only at, (i) a limited number of persons in accordance with the Israeli Securities Law and (ii) investors listed in the first addendum (the Addendum), to the Israeli Securities Law, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters, venture capital funds, entities with equity in excess of NIS 50 million and "qualified individuals," each as defined in the Addendum (as it may be amended from time to time), collectively referred to as qualified investors (in each case, purchasing for their own account or, where permitted under the Addendum, for the accounts of their clients who are investors listed in the Addendum). Qualified investors are required to submit written confirmation that they fall within the scope of the Addendum, are aware of the meaning of same and agree to it.



## **Legal Matters**

The validity of the common stock offered hereby will be passed upon for us by Goodwin Procter LLP, San Francisco, California. Legal matters in connection with the offering will be passed upon for the underwriters by Latham & Watkins LLP, Menlo Park, California.

## **Experts**

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements at December 31, 2020 and 2019 and for each of the two years in the period ended December 31, 2020, as set forth in their report. We've included our financial statements in the prospectus and elsewhere in the registration statement in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

The consolidated financial statements of Totient, Inc. as of December 31, 2019 and 2020 and for the years then ended included in this prospectus have been so included in reliance on the report of Moss Adams LLP, an independent registered public accounting firm, appearing elsewhere herein, given on the authority of said firm as experts in auditing and accounting.

## Changes in Independent Registered Public Accounting Firm

On November 12, 2020, we dismissed Delap LLP, or Delap, as our independent auditor. This dismissal was approved by our board of directors.

Delap audited our financial statements for the fiscal years ended December 31, 2018 and 2019, which were issued under auditing standards generally accepted in the United States. The audit report issued by Delap on March 19, 2020 did not contain an adverse opinion or a disclaimer of opinion and was not qualified or modified as to audit scope or accounting principles. Delap did not provide an audit opinion on our financial statements for any period subsequent to the fiscal year ended December 31, 2019.

During the years ended December 31, 2018 and 2019 and the subsequent interim period through November 12, 2020, (i) there were no “disagreements” between us and Delap (as that term is defined in Item 304(a)(1)(iv) of Regulation S-K) on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Delap, would have caused them to make reference to the subject matter of the disagreements in connection with their report on the financial statements for such period, and (ii) there were no “reportable events” as such term is defined in Item 304(a)(1)(v) of Regulation S-K.

We provided Delap with a copy of the foregoing disclosures and requested Delap to furnish us with a letter addressed to the SEC stating whether or not Delap agrees with the above disclosures. A copy of Delap’s letter is filed as an exhibit to the registration statement of which this prospectus is a part.

On March 4, 2021, we engaged Ernst & Young LLP, or E&Y, as our independent registered public accounting firm, which engagement has been approved by our board of directors. During the fiscal years ended December 31, 2018 and 2019 and the subsequent interim period through November 12, 2020, we (or any person on our behalf) did not consult with E&Y regarding any of the matters described in Items 304(a)(2)(i) or 304(a)(2)(ii) of Regulation S-K.

## Where You Can Find More Information

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock being offered by this prospectus, which constitutes a part of the registration statement. This prospectus does not contain all of the information in the registration statement and its exhibits. For further information with respect to us and the common stock offered by this prospectus, we refer you to the registration statement and its exhibits. Statements contained in this prospectus as to the contents of any contract or any other document referred to are not necessarily complete, and in each instance, we refer you to the copy of the contract or other document filed as an exhibit to the registration statement. Each of these statements is qualified in all respects by this reference.

You can read our SEC filings, including the registration statement, over the Internet at the SEC's website at [www.sec.gov](http://www.sec.gov). Upon 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 via the SEC's website at [www.sec.gov](http://www.sec.gov). We also maintain a website at [www.absci.com](http://www.absci.com), at which you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. **However, the information contained in or accessible through our website is not part of this prospectus or the registration statement of which this prospectus forms a part.**

# Absci Corporation

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### Totient, Inc. (Consolidated Financial Statements for the years ended December 31, 2019 and 2020 and the Unaudited Consolidated Condensed Financial Statements for the three months ended March 31, 2021):

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## Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Absci Corporation

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Absci Corporation (the Company) as of December 31, 2019 and 2020, the related consolidated statements of operations and comprehensive loss, changes in redeemable convertible preferred stock and units and other stockholders' and members' deficit and cash flows for the years then ended, and 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 at December 31, 2019 and 2020, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2021.

Seattle, Washington

May 6, 2021

**ABSCI CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**

(In thousands, except for share and units, and per share and per units data)	December 31,	
	2020	2019
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 69,867	\$ 13,086
Receivables under development arrangements	1,594	222
Prepaid expenses and other current assets	1,773	339
Total current assets	73,234	13,647
Operating lease right-of-use assets	4,476	1,712
Property and equipment, net	8,909	3,298
Restricted cash	1,841	790
Other assets	109	24
<b>TOTAL ASSETS</b>	<b>\$ 88,569</b>	<b>\$ 19,471</b>
<b>LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND UNITS AND OTHER STOCKHOLDERS' AND MEMBERS' DEFICIT</b>		
Current liabilities:		
Accounts payable	\$ 2,116	\$ 268
Accrued expenses	1,569	532
Loans payable	632	—
Current portion of long-term debt	903	1,200
Current portion of operating lease obligations	770	295
Current portion of financing lease obligations	1,475	391
Deferred revenue	2,630	780
Total current liabilities	10,095	3,466
Long-term debt - net of current portion	4,141	1,746
Operating lease obligations - net of current portion	3,813	1,431
Finance lease obligations - net of current portion	2,766	953
Other long-term liabilities	749	271
<b>TOTAL LIABILITIES</b>	<b>21,564</b>	<b>7,867</b>
Commitments (See Note 6)		
Redeemable convertible preferred units, no par value, zero and 10,531,531 units authorized as of December 31, 2020 and 2019, respectively; zero and 9,964,572 units issued and outstanding as of December 31, 2020 and 2019, respectively; liquidation preference of zero and \$32,945 as of December 31, 2020 and 2019, respectively	—	52,763
Redeemable convertible preferred stock, \$0.0001 par value; 13,845,050, and zero shares authorized as of December 31, 2020 and 2019, respectively; 13,752,043, and zero shares issued and outstanding as of December 31, 2020 and 2019, respectively; liquidation preference of \$202,861 and zero as of December 31, 2020 and 2019, respectively	156,433	—
<b>OTHER STOCKHOLDERS' AND MEMBERS' DEFICIT</b>		
Common units, no par value, zero and 15,851,391 units authorized as of December 31, 2020 and 2019, respectively; zero and 4,606,505 shares units issued and outstanding as of December 31, 2020 and 2019, respectively	—	—
Common stock, \$0.0001 par value; 22,000,000 and zero shares authorized as of December 31, 2020 and 2019, respectively; 5,415,414 and zero shares issued and outstanding as of December 31, 2020 and 2019, respectively	—	—
Additional paid-in capital	637	217
Accumulated deficit	(90,065)	(41,376)
<b>TOTAL OTHER STOCKHOLDERS' AND MEMBERS' DEFICIT</b>	<b>(89,428)</b>	<b>(41,159)</b>
<b>TOTAL LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND UNITS AND OTHER STOCKHOLDERS' AND MEMBERS' DEFICIT</b>	<b>\$ 88,569</b>	<b>\$ 19,471</b>

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

**ABSCI CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(In thousands, except for share and per share data)	For the Years Ended December 31,	
	2020	2019
<b>Revenues</b>		
Technology development revenue <sup>(1)</sup>	\$ 4,117	\$ 2,044
Collaboration revenue	663	16
<b>Total revenues</b>	<b>4,780</b>	<b>2,060</b>
<b>Operating expenses</b>		
Research and development	11,448	4,311
Selling, general and administrative	5,502	3,523
Depreciation and amortization	1,131	491
<b>Total operating expenses</b>	<b>18,081</b>	<b>8,325</b>
<b>Operating loss</b>	<b>(13,301)</b>	<b>(6,265)</b>
<b>Other income (expense)</b>		
Interest expense	(634)	(268)
Other expense, net	(418)	(51)
<b>Total other expense, net</b>	<b>(1,052)</b>	<b>(319)</b>
<b>Net loss and comprehensive loss</b>	<b>(14,353)</b>	<b>(6,584)</b>
Adjustment of redeemable preferred units and stock	(34,336)	(17,286)
Cumulative undeclared preferred stock dividends	(780)	—
<b>Net loss applicable to common stockholders and unitholders</b>	<b>\$ (49,469)</b>	<b>\$ (23,870)</b>
<b>Net loss per share attributable to common stockholders and unitholders:</b>		
Basic and diluted	\$ (10.55)	\$ (5.18)
<b>Weighted-average common shares and units outstanding:</b>		
Basic and diluted	4,691,020	4,606,505

(1) See Note 10: Related party transactions, for discussion of related party revenue of \$0.2 million and \$0.9 million for the years ended December 31, 2020 and 2019, respectively.

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

**ABSCI CORPORATION**  
**STATEMENTS OF CHANGES IN REDEEMABLE CONVERTIBLE PREFERRED STOCK AND UNITS AND OTHER STOCKHOLDERS'**  
**AND MEMBERS' DEFICIT**

(In thousands, except for share and per share data)	Redeemable Convertible Preferred Units		Redeemable Convertible Preferred Stock		Common Units		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' and Members' Deficit
	Units	Amount	Shares	Amount	Units	Amount	Shares	Amount			
	<b>Balances - December 31, 2018</b>	8,906,328	\$ 25,151	—	\$ —	4,606,505	\$ —	—			
Issuance of Class D preferred units, net of issuance costs	1,058,244	10,326	—	—	—	—	—	—	—	—	—
Increase in preferred unit redemption value	—	17,286	—	—	—	—	—	—	—	(17,286)	(17,286)
Stock-based compensation	—	—	—	—	—	—	—	—	42	—	42
Net loss	—	—	—	—	—	—	—	—	—	(6,584)	(6,584)
<b>Balances - December 31, 2019</b>	9,964,572	52,763	—	—	4,606,505	—	—	—	217	(41,376)	(41,159)
Issuance of Class D preferred units, net of issuance costs	473,952	4,625	—	—	—	—	—	—	—	—	—
Increase in preferred unit redemption value	—	34,336	—	—	—	—	—	—	—	(34,336)	(34,336)
Conversion of preferred and common units to shares	(10,438,524)	(91,724)	10,438,524	91,724	(4,606,505)	—	4,606,505	—	—	—	—
Issuance of Class E preferred stock, net of issuance costs	—	—	3,313,519	64,709	—	—	—	—	—	—	—
Issuance of restricted stock	—	—	—	—	—	—	808,909	—	—	—	—
Stock-based compensation	—	—	—	—	—	—	—	—	420	—	420
Net loss	—	—	—	—	—	—	—	—	—	(14,353)	(14,353)
<b>Balances - December 31, 2020</b>	—	\$ —	13,752,043	\$ 156,433	—	\$ —	5,415,414	\$ —	637	\$ (90,065)	\$ (89,428)

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



**ABSCI CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In thousands)	For the Years Ended December 31,	
	2020	2019
<b>Cash Flows From Operating Activities</b>		
Net loss	\$ (14,353)	\$ (6,584)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	1,131	491
Loss on disposal of assets	363	22
Share-based compensation	420	42
Preferred stock warrant liability expense	461	86
Changes in operating assets and liabilities:		
Receivables under development arrangements	(1,372)	(102)
Prepaid expenses and other current assets	(1,434)	(263)
Operating lease right-of-use assets and liabilities	93	14
Other long-term assets	(85)	(6)
Accounts payable	903	82
Accrued expenses and other liabilities	1,053	166
Deferred revenue	1,850	20
Net cash used in operating activities	(10,970)	(6,032)
<b>Cash Flows From Investing Activities</b>		
Purchases of property and equipment	(2,181)	(1,098)
Proceeds from sales of property and equipment	10	9
Net cash used in investing activities	(2,171)	(1,089)
<b>Cash Flows From Financing Activities</b>		
Proceeds from issuance of redeemable convertible preferred units and stock, net of issuance costs	69,334	10,326
Proceeds from issuance of long-term debt	2,598	2,757
Proceeds from notes payable	632	—
Principal payments on long-term debt	(500)	(100)
Principal payments on finance lease obligations	(1,091)	(277)
Net cash provided by financing activities	70,973	12,706
Net increase in cash, cash equivalents, and restricted cash	57,832	5,585
Cash, cash equivalents and restricted cash - Beginning of year	13,876	8,291
Cash, cash equivalents, and restricted cash - End of period	\$ 71,708	\$ 13,876
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid during the period for interest	\$ 508	\$ 202
<b>Supplemental Disclosure of Non-Cash Investing and Financing Activities</b>		
Property and equipment purchased under finance lease	\$ 3,988	\$ 668
Right -of-use assets obtained in exchange for operating lease obligation	3,114	1,291
Cash paid for amounts included in the measurement of operating lease liabilities	422	274
Property and equipment purchases included in accounts payable	945	2
Increase in redemption value of redeemable convertible preferred stock	34,336	17,286

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

**1. Organization and nature of operations**

Absci Corporation (Company) has developed an integrated drug creation platform that enables the creation of biologics by unifying the drug discovery and cell line development processes into one process. The Company was organized in the State of Oregon in August 2011 as a limited liability company and converted to a limited liability company (LLC) in Delaware in April 2016. In October 2020, the Company converted from a Delaware LLC to a Delaware corporation (LLC Conversion). Its operations are located in Vancouver, Washington.

***LLC Conversion***

In conjunction with the LLC Conversion, (i) all of the Company's outstanding common units converted on a 1-for-1 basis into shares of common stock, par value \$0.0001; and (ii) all of the Company's outstanding redeemable preferred units converted on a 1-for-1 basis into shares of redeemable convertible preferred stock, par value \$0.0001. Prior to the LLC Conversion, the Company had issued incentive units to certain employees, directors, and consultants. The outstanding vested incentive units converted on a net issuance basis into shares of common stock and the outstanding unvested incentive units converted on a net issuance basis into restricted common stock. All vesting provisions remained the same following the LLC Conversion. See Note 8: *Stock based compensation* for further discussion of the LLC Conversion's impact on the Company's stock-based compensation plans.

**2. Summary of significant accounting policies**

***Basis of presentation***

The consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States (GAAP) as defined by the Financial Accounting Standards Board (FASB). The consolidated financial statements include the Company's wholly-owned subsidiaries and entities under its control. The Company has eliminated all intercompany transactions and accounts.

***Emerging growth company***

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the independent registered public accounting firm attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

***Use of estimates***

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates include, but are not limited to, revenue recognition including estimated timing of the satisfaction of performance obligations and the fair value of stock-based compensation awards. The Company bases its estimates on historical experiences, and other relevant factors that it believes to be reasonable under the circumstances. Actual results could differ from those estimates.

**Segment information**

The Company operates as a single operating segment. The Company's chief operating decision maker, its Chief Executive Officer, manages the Company's operations on a consolidated basis for the purposes of allocating resources, making operating decisions and evaluating performance.

**Cash, cash equivalents and restricted cash**

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Restricted cash represents amounts pledged as collateral for future property lease payments via standby letters of credit (see Note 6).

**Accounts receivable**

Accounts receivable consists of amounts due from partners for services performed. The Company reviews accounts receivable for credit impairment and regularly analyzes the status of significant past due receivables to determine if any will potentially be uncollectible to estimate the amount of allowance necessary to reduce accounts receivable to its estimated net realizable value. To date, no allowance has been necessary. See contract asset discussion below regarding unbilled receivables.

**Fair value of financial instruments**

The Company's financial instruments include cash and cash equivalents, restricted cash, receivables, accounts payable, accrued liabilities, loans payable, preferred stock warrant liability, fee in lieu of warrant liability, and long-term debt. The Company's financial instruments' carrying amounts approximate fair value due to their relatively short maturities or as a result of fair value adjustments that are recorded each period.

The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines the fair value of financial instruments based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

*Level 1* - Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date;

*Level 2* - Inputs are observable, unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities; and

*Level 3* - Unobservable inputs that are significant to the measurement of the fair value of the assets or liabilities that are supported by little or no market data.

**Concentration risk**

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, restricted cash, and receivables under development arrangements. The Company maintains its cash and cash equivalents and restricted cash in bank accounts, which at times may exceed federally insured limits. The Company has not experienced any losses on these accounts. For the year ended December 31, 2020, two partners represented approximately 39% and 38% of technology development revenue. For the year ended December 31, 2019, three partners each represented approximately 46%, 20%, and 21% of technology development revenue.

As of December 31, 2020, one partner represented approximately 93% of total receivables under technology development arrangements. As of December 31, 2019, one partner represented 95% of the total receivables under technology development arrangements.

The Company purchases from and relies on two vendors for specific equipment and consumables which are critical to its operations. While there are alternative types of equipment that could be used as an alternative, switching vendors would require significant capital investment, long lead times and significant training and validation.

***Property and equipment, net***

Property and equipment are stated at cost less accumulated depreciation and amortization. Additions and improvements to property and equipment are capitalized. The costs of maintenance and repairs are expensed as incurred. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the underlying assets, which vary from 3 to 7 years. Leasehold improvements are amortized over the shorter of the term of the lease or the estimated useful lives of the assets. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation or amortization are removed from their respective accounts, and the resulting gain or loss is reported as income or expense in the statements of operations and comprehensive loss.

***Impairment of long-lived assets***

Management reviews long-lived assets for possible impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability is measured by comparison of the carrying amount to the future undiscounted net cash flows expected to result from the use of the asset and its eventual disposition. If these estimated cash flows were less than the carrying amount of the asset, an impairment loss would be recognized in order to write down the asset to its estimated fair value. There have been no such impairments of long-lived assets during the years ended December 31, 2020 and 2019.

***Redeemable convertible preferred unit and stock warrant liability***

Outstanding warrants that are related to the Company's redeemable convertible preferred units and redeemable convertible preferred stock are classified as liabilities on the balance sheets. As the warrants are exercisable for redeemable convertible preferred units and redeemable convertible preferred stock, the Company has recognized a liability for the fair value of its warrants on the balance sheets upon issuance and subsequently remeasures the liability to fair value at the end of each reporting period until the earlier of the expiration or exercise of the warrants.

***Revenue recognition***

The Company recognizes revenue when control of its products and services are transferred to its customers in an amount that reflects the consideration expected to be received in exchange for those products and services. This process involves identifying the contract with a customer, determining the performance obligations in the contract, determining the contract price, allocating the contract price to the distinct performance obligations in the contract, and recognizing revenue when or as the performance obligations are satisfied. A performance obligation is considered distinct from other obligations in a contract when it provides a benefit to the customer either on its own or together with other resources that are readily available to the customer and is separately identified in the contract. The Company considers a performance obligation satisfied once control of a good or service has been transferred to the customer, meaning the customer has the ability to use and obtain the benefit of the good or service. Technology development revenue includes revenue associated to the development and technology readiness phases of technology development agreements. The Company refers to its customers as "partners" when describing their relationship in an agreement.

*Technology development revenue*

The Company's Technology Development Agreements (TDAs) generally include multiple phases of Cell Line Development (CLD) such as library design, assay development, strain screening, fermentation optimization, purification, and analytics that all represent a single performance obligation. These agreements may include options for additional goods and services such as readying the technology to transfer to the partner and licensing terms. The transaction prices for these arrangements include fixed and variable consideration for the single performance obligation as well as variable consideration for success-based achievements. Any variable consideration is constrained to the extent that it is probable that a significant reversal of cumulative revenue will not occur. Depending on the specific terms of the arrangement, the Company either recognizes revenue over time or at a point in time. While there is no alternative use to the Company for the asset created, the agreement's terms vary as to whether an enforceable right to payment exists for performance completed as of that date. Primarily all of the Company's contracts with its partners include an enforceable right to payment.

The Company measures progress toward the completion of the performance obligations satisfied over time using an input method based on an overall estimation of the effort incurred to date at each reporting period to satisfy a performance obligation. This method provides an appropriate depiction of completed progress toward fulfilling its performance obligations for each respective arrangement. In certain technology development agreements that require a portion of the contract consideration to be received in advance at the commencement of the contract, such advance payment is initially recorded as a contract liability.

*KBI BioPharma, Inc. Collaboration agreement*

In December 2019, the Company executed a four-year Joint Marketing Agreement (JMA) with KBI BioPharma, Inc. (KBI) to co-promote technologies through joint marketing efforts. The JMA provides for a non-refundable upfront payment of \$0.75 million and milestone payments of \$2.75 million in the aggregate, of which \$2.25 million had been received as of December 31, 2020, upon the achievement of specific milestones. Upfront payments that relate to ongoing collaboration efforts required throughout the contract term such as joint marketing are recognized ratably throughout the contract term. The Company fully constrains revenue associated with the milestone payments until the specified milestones are probable of achievement. Additionally, KBI is obligated to make royalty payments to the Company during the fourth year of the JMA representing a percentage of its sales generated through the arrangement. Any costs incurred to KBI through the duration of the JMA are recognized as a reduction to collaboration revenue in the period in which they are incurred. As of December 31, 2020 and 2019, deferred revenue related to this JMA was \$1.8 million and \$0.7 million, respectively.

*Contract balances*

Contract assets are generated when contractual billing schedules differ from revenue recognition timing and the Company records a contract receivable when it has an unconditional right to consideration. As of December 31, 2020 and 2019, contract assets were \$0.1 million and \$0.2 million, respectively.

Contract liabilities are recorded in deferred revenue when cash payments are received or due in advance of the satisfaction of performance obligations. As of December 31, 2020 and 2019, contract liabilities were \$2.6 million and \$0.8 million, respectively. During the years ended December 31, 2020 and 2019, the Company recognized \$0.2 million and \$0.8 million, respectively, as revenue that had been included in deferred revenue at the beginning of each period.

**Income taxes**

Prior to the LLC Conversion, all income tax effects of the Company's operations were passed through to its members individually. Accordingly, the accompanying financial statements do not

include any income tax effects for the Company prior to the LLC Conversion date, and the Company had no unrecognized income tax benefits, nor any interest or penalties associated with unrecognized income tax benefits, accrued or expensed as of and for the years ended December 31, 2019 and the period from January 1, 2020 through October 5, 2020.

Following the LLC Conversion, the Company accounts for income taxes using the asset and liability method whereby deferred tax asset and liability accounts are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that are currently in effect. Valuation allowances are established where necessary to reduce deferred tax assets to the amounts expected to be realized.

The Company files income tax returns in the federal and various state tax jurisdictions.

The Company recognizes interest and penalties related to income tax matters as a component of tax expense. The Company did not record any interest or penalties related to income tax during the years ended December 31, 2020 and 2019.

### **Leases**

At the inception of a contractual arrangement, the Company determines whether the contract contains a lease by assessing whether there is an identified asset and whether the contract conveys the right to control the use of the identified asset in exchange for consideration over a period of time. If both criteria are met, the Company records the associated lease liability and corresponding right-of-use asset upon commencement of the lease using the implicit rate or a discount rate based on a credit adjusted secured borrowing rate commensurate with the term of the lease.

The Company additionally evaluates leases at their inception to determine if they are to be accounted for as an operating lease or a finance lease. Operating lease assets represent a right to use an underlying asset for the lease term and operating lease liabilities represent an obligation to make lease payments arising from the lease. Operating lease obligations with a term greater than one year and their corresponding right-of-use assets are recognized on the balance sheet at the commencement date of the lease based on the present value of lease payments over the expected lease term. Certain adjustments to the right-of-use asset may be required for items such as initial direct costs paid or incentives received.

As the Company's operating leases do not typically provide an implicit rate, the Company utilizes the appropriate incremental borrowing rate, determined as the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term and in a similar economic environment. The lease cost is recognized on a straight-line basis over the lease term and variable lease payments are recognized as operating expenses in the period in which the obligation for those payments is incurred. Variable lease payments primarily include common area maintenance, utilities, real estate taxes, insurance and other operating costs that are passed on from the lessor in proportion to the space leased by the Company.

The Company accounts for its finance leases by calculating an implied interest rate in the lease contract and recognizing a finance lease right of use asset and lease liability. The right of use asset is recognized in property and equipment, net, in the asset category in which the underlying asset relates. The lease liability is recognized in the consolidated balance sheet as a finance lease obligation.

### **Research and development expenses**

Research and development expenses includes the cost of materials, personnel-related costs (comprised of salaries, benefits and share-based compensation), consulting fees and allocated facility costs associated with both our execution of technology development agreements and collaboration agreements, as well as ongoing development of our Integrated Drug Creation Platform and other technologies. Allocated facility costs include facility occupancy and information

technology costs. The Company derives improvements to its platform from both types of activities. The Company has not historically tracked its research and development expenses on a partner-by-partner basis or on a program-by-program basis.

***Stock-based compensation***

Stock-based compensation includes compensation expense for incentive units, restricted stock, and stock option grants to employees and is measured on the grant date based on the fair value of the award and recognized on a straight-line basis over the requisite service period. The fair value of options to purchase common stock are measured using the Black-Scholes option-pricing model. The Company accounts for forfeitures as they occur. Prior to the LLC Conversion, the Company also granted phantom units which due to the presence of an exercise condition contingent upon a liquidity event, the Company determined that it was not probable that the phantom units would become exercisable.

***Net Loss Per Share Attributable to Common Stockholders and Unitholders***

The Company calculates basic and diluted net loss per share attributable to common stockholders and unitholders in conformity with the two-class method required for companies with participating securities. The Company considers its redeemable convertible preferred stock and units to be participating securities. In the event a dividend is declared or paid on common stock and units, holders of redeemable convertible preferred stock and units are entitled to a share of such dividend in proportion to the holders of common stock and units on an as-if converted basis. Under the two-class method, basic net loss per share attributable to common stockholder and unitholder is calculated by dividing the net loss attributable to common stockholder and unitholder by the weighted-average number of shares of common stock and units outstanding for the period. Net loss attributable to common stockholders and unitholders is determined by allocating undistributed earnings between common and preferred stockholders and unitholders. The diluted net loss per share attributable to common stockholders and unitholders is computed by giving effect to all potential dilutive common stock and unit equivalents outstanding for the period determined using the treasury stock method. The net loss attributable to common stockholders and unitholders was not allocated to the redeemable convertible preferred stock and units under the two-class method as the redeemable convertible preferred stock and units do not have a contractual obligation to share in the Company's losses. For purposes of this calculation, redeemable convertible preferred stock and units, redeemable convertible preferred stock and unit warrants, incentive (formerly incentive units) and non-qualified stock options are considered common stock equivalents but have been excluded from the calculation of diluted net loss per share attributable to common stockholders and unitholders as their effect is anti-dilutive.

***Recently Adopted Accounting Pronouncements***

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, which created FASB Accounting Standards Codification (ASC) Topic 606 (ASC 606). This ASU replaced most existing revenue recognition guidance in GAAP when it became effective and requires the Company to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. ASC 606 also requires additional disclosures to help users of financial statements better understand the nature, amount, timing and uncertainty of revenue that is recognized. The Company adopted ASC 606 effective January 1, 2019 using the modified retrospective method of application to contracts not completed as of January 1, 2019. Management has determined the cumulative effect of ASC 606 on uncompleted contracts existing as of January 1, 2019 to be immaterial, and, accordingly, there were no adjustments to opening members' equity.

In February 2016, the FASB issued ASU 2016-02, *Leases* (ASC 842). This ASU issues guidance that supersedes existing guidance on accounting for leases and is intended to increase transparency and comparability of accounting for lease transactions. ASC 842 requires most leases to be recognized

on the balance sheet by recording a right-of-use (ROU) asset and a lease liability. The liability is equal to the present value of lease payments while the asset is based on the liability, subject to adjustment for initial direct costs. For income statement purposes, the FASB retained a dual model requiring leases to be classified as either operating or finance. The Company elected to early adopt this ASU effective January 1, 2019 using the optional transition method and applied the standard only to leases that existed at that date. The Company elected the “package of practical expedients” which allowed it to not reassess prior conclusions about lease identification, classification and initial direct costs. Additionally, the Company elected the short-term lease recognition exemption for all leases that qualify, which means it will not recognize ROU assets or lease liabilities for leases with lease terms of less than twelve months. As a result of adoption, the Company recognized operating lease ROU assets and lease liabilities of \$0.5 million and \$0.6 million, respectively, as of January 1, 2019. Each of the Company’s equipment leases previously accounted for as a capital lease are now similarly accounted for as finance leases under ASC 842.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (ASC 326)*, which sets forth a “current expected credit loss” model which requires the Company to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable supportable forecasts. This replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets measured at amortized cost. The Company adopted this standard as of January 1, 2020, and the adoption of this standard did not have a material impact to its consolidated financial statements.

***Recently issued accounting pronouncements, not yet adopted***

In December 2019, the FASB issued amended guidance on the accounting and reporting of income taxes. The guidance is intended to simplify the accounting for income taxes by removing exceptions related to certain intraperiod tax allocations and deferred tax liabilities; clarifying guidance primarily related to evaluating the step-up tax basis for goodwill in a business combination; and reflecting enacted changes in tax laws or rates in the annual effective tax rate. The amended guidance is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted. The application of the amendments in the new guidance are to be applied on a retrospective basis, on a modified retrospective basis through a cumulative-effect adjustment to retained earnings or prospectively, depending on the amendment. The Company is currently evaluating the impact of adoption on its consolidated financial statements.

In August 2020, the FASB issued ASU No. 2020-06, Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity’s Own Equity (Subtopic 815-40) (“ASU No. 2020-06”). The new guidance eliminates two of the three models in ASC 470-20 that require separating embedded conversion features from convertible instruments. As a result, only conversion features accounted for under the substantial premium model in ASC 470-20 and those that require bifurcation in accordance with ASC 815-15 will be accounted for separately. For contracts in an entity’s own equity, the new guidance eliminates some of the requirements in ASC 815-40 for equity classification. The guidance also addresses how convertible instruments are accounted for in the diluted earnings per share calculation and requires enhanced disclosures about the terms of convertible instruments and contracts in an entity’s own equity. ASU 2020-06 is effective for the Company after December 15, 2023. Early adoption is permitted for fiscal periods beginning after December 15, 2020. The Company is currently evaluating the effect of adopting ASU 2020-06 on its consolidated financial statements.



**3. Property and equipment**

Property and equipment as of December 31 consists of the following (in thousands):

	2020	2019
Lab Equipment	\$ 8,578	\$ 3,277
Software	188	283
Furniture, Fixtures and Other	472	260
Leasehold Improvements	2,016	742
Total Cost	11,254	4,562
Less accumulated depreciation and amortization	(2,345)	(1,264)
Net Property and Equipment	\$ 8,909	\$ 3,298

Depreciation expense was \$1.1 million and 0.5 million for the year ended December 31, 2020 and 2019, respectively.

**4. Long-term debt and other borrowings**

In June 2018, the Company signed a Loan and Security Agreement (LSA) with Bridge Bank (Bank), a division of Western Alliance Bank. The purpose of the LSA was to provide long-term financing to the Company through term loans available for borrowing in three tranches up to a maximum of \$3.0 million through December 2019 upon the attainment of certain milestones as delineated in the LSA. The first tranche of \$0.3 million was borrowed in June 2018. The Company was obligated to make interest-only payments until the amortization date of June 28, 2019 and after that date to make principal and interest payments. Interest on outstanding borrowings under the LSA is charged at a rate of 6% per annum. This loan matures in May 2022, at which time all outstanding principal and accrued and unpaid interest is due and payable. This loan is secured by substantially all tangible assets of the Company; intellectual property is excluded from the secured collateral, but is subject to a negative pledge in favor of the Bank.

In March 2019, the Company entered into a First Amendment to the LSA that increased total borrowings to \$3.0 million and to add a financial liquidity covenant. The amendment was accounted for as a debt modification and no gain or loss was recognized in the Company's financial statements.

In May 2020, the Company entered into a Second Amendment to the LSA that increased total borrowings to \$5.0 million. The amortization date was extended to May 1, 2021 except, if a certain revenue and new contract bookings milestone is achieved, the amortization date is extended to November 1, 2021. The maturity date of the loan was extended to May 11, 2024. The amendment was accounted for as a debt modification and no gain or loss was recognized in the Company's financial statements.

In August 2020, the Company entered into a Third Amendment to the LSA that waived an event of default due to failure to meet a financial covenant. The Amendment also expanded the definition of permitted indebtedness to include Payroll Protection Plan (PPP) loans, and modified financial and restrictive covenants.

In February 2021, the Company entered into a Fourth Amendment to the LSA – refer to subsequent events note for further details.

The Company may prepay all, but not less than all, of the term loans at any time upon 10 days written notice, with a prepayment premium beginning at 1.0% initially and declining to 0% after May 11, 2022. The Company is also required to pay a final payment equal to 3% of the principal amount funded, which is payable upon the earliest to occur of (i) the maturity date, (ii) acceleration and (iii) the prepayment of the loan. As part of the Second Amendment, the Company paid a one-

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time amendment fee and a pro-rated final payment in connection with the amendment. The final payment represents an additional principal payment and is accounted for as a debt discount that will be accreted through the maturity date of the loan based on the effective interest method.

In connection with entering into the LSA Agreement in June 2018, the Company entered into an agreement whereby the Company is required to pay a fee of 3.5% of the aggregate amount of term loans funded by Bridge Bank under the LSA within three business days of a sale or other disposition of substantially all of the Company's assets, a merger or consolidation, a change in control or an initial public offering (Liquidity Event). Concurrent with the Second Amendment, the Company and Bridge Bank entered into an amended agreement which extended the term of the fee to May 11, 2030. This agreement has been accounted for as a freestanding derivative under ASC 815, *Derivatives* and is remeasured to its fair value at the end of each reporting period in Other long-term liabilities in the Consolidated Balance Sheets with changes in fair value recognized in Other expense in the Consolidated Statements of Operations and Comprehensive loss.

Under the LSA (as amended) the Company is subject to a financial covenant. The covenant, as amended, requires that the Company maintain at all times either (a) unrestricted cash and cash equivalents in an amount equal to or greater than the Company's monthly cash burn or (b) trailing 6-month revenue of at least 80% of the Company's revenue projections (over the same 6-month period) determined using the lender's measurement method. As of December 31, 2020, the Company was in compliance with this financial covenant.

As of December 31, 2020, and 2019, the outstanding principal balance under the LSA was \$5.0 million and \$2.9 million, respectively.

Future maturities of the amounts outstanding under the LSA as of December 31, 2020 are as follows (in thousands):

<b>Years Ending December 31:</b>	
2021	903
2022	1,624
2023	1,724
2024 (inclusive of \$150 Final Fee)	899
<b>Total Principal, including final fee</b>	<b>\$ 5,150</b>
Less: amount representing debt discount and issuance costs	106
<b>Total Long-Term Debt</b>	<b>\$ 5,044</b>

In May 2020, the Company received a PPP loan pursuant to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) in the amount of \$0.6 million. The loan had a two-year term and bore a fixed interest rate of 1%. Under the terms of the CARES Act, the loan was eligible to be forgiven, in part or whole, if the proceeds were used to retain and pay employees and for other qualifying expenditures. In February 2021, the Company received notification from the Small Business Administration that they approved the forgiveness of the full \$0.6 million PPP loan.

The carrying amount of the long-term debt and loan payable approximate fair value.

## **5. Leases**

The Company leases its current office and laboratory facilities under multiple operating lease agreements that are scheduled to expire in August 2024. In February 2019, the Company signed another lease agreement for additional office space in its current building. This agreement commenced in September 2019 and is also scheduled to expire in August 2024.

In December 2020, the Company entered into a lease agreement for a new 61,607 square foot facility in Vancouver, Washington. The lease term commenced in December 2020 and ends in April

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2026, with the Company's option to renew through April 2031. The lease agreement provides for annual base rent of approximately \$1.2 million in the first year of the lease term which increases on an annual basis to approximately \$1.5 million in the final year of the initial lease term. The Company entered into an agreement with a construction company for purposes of building out the facility and customizations for a total estimated cost of approximately \$14.6 million. As part of the lease agreement, the lessor provided tenant incentives in the amount of \$2.5 million.

For each of the Company's facility lease agreements, the Company is responsible for taxes, insurance and maintenance costs.

The Company leases certain laboratory equipment under finance leases. Property and equipment includes approximately \$4.3 million and \$1.3 million of assets under finance leases as of December 31, 2020 and 2019, respectively. Accumulated depreciation related to assets under finance leases was approximately \$0.9 million and \$0.4 million as of December 31, 2020 and 2019, respectively.

The components of lease expense were as follows (in thousands):

	2020	2019
Operating lease cost	\$ 526	\$ 260
Variable lease cost	166	120
Short-term lease cost	18	3
Total	<u>\$ 710</u>	<u>\$ 383</u>

Future undiscounted lease payments for the Company's lease liabilities as of December 31, 2020 are as follows (in thousands):

	Operating leases	Finance leases
2021	\$ 1,318	\$ 1,784
2022	1,802	1,648
2023	1,856	958
2024	1,753	409
2025	1,480	86
Thereafter	501	—
Total future lease payments	<u>8,710</u>	<u>4,885</u>
Less: Imputed interest	(1,663)	(644)
Less: Lease incentive	(2,464)	—
Present value of lease liabilities	<u>\$ 4,583</u>	<u>\$ 4,241</u>

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Additional information related to the Company's leases as of December 31, 2020 and 2019 are as follows:

	2020	2019
<b>Weighted average remaining lease term (in years)</b>		
Operating leases	4.9	4.7
Finance leases	3.0	3.8
<b>Weighted average discount rate</b>		
Operating leases	8 %	8 %
Finance leases	7 %	9 %

**6. Commitments and contingencies**

As of December 31, 2020 and 2019, future lease payments are secured by irrevocable standby letters of credit totaling \$1.8 million and \$0.8 million, respectively. The irrevocable standby letters of credit are expected to be pledged for the full lease terms which extend through 2024 and 2026 for each of the Company's facility leases.

In the ordinary course of business, the Company is a party to claims and legal proceedings. The Company records a provision for contingent losses when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Based on currently available information, management does not believe that the ultimate outcome of these unresolved matters is probable or estimable and not likely, individually and in the aggregate, to have a material adverse effect on our financial position, results of operations or cash flows. However, litigation is subject to inherent uncertainties and management's view of these matters may change in the future. Were an unfavorable outcome to occur, there exists the possibility of a material adverse impact on the Company's financial position, results of operations or cash flows for the period in which the unfavorable outcome occurs, and potentially in future periods.

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**7. Redeemable convertible preferred stock and redeemable convertible preferred units**

*Redeemable Convertible Preferred Stock*

The following table summarizes the authorized, issued, and outstanding redeemable convertible preferred stock of the Company as of December 31, 2020 (in thousands, except share and per share data):

	December 31, 2020				
	Shares Authorized	Shares Issued and Outstanding	Issuance Price per Share	Net Proceeds	Liquidation preference
<b>Convertible Preferred Stock:</b>					
Junior	1,573,547	1,573,547	\$ 1.00	\$ 1,462	\$ 1,989
Class A-1	2,793,007	2,700,000	1.00	2,700	3,453
Class A-2	1,500,000	1,500,000	1.00	1,500	1,885
Class B	1,372,549	1,372,549	1.53	2,065	2,526
Class C	1,760,252	1,760,252	6.95	11,979	13,876
Class D	1,532,176	1,532,176	9.79	14,951	15,852
Class E	3,313,519	3,313,519	19.62	64,709	163,280
<b>Total convertible preferred stock</b>	<b>13,845,050</b>	<b>13,752,043</b>		<b>\$ 99,366</b>	<b>\$ 202,861</b>

The Company issued 3,313,519 shares of Class E redeemable preferred stock in October 2020 at an issuance price of \$19.62 per share.

The Company recorded its redeemable convertible preferred stock at the issuance price on the dates of issuance, net of issuance costs. Mandatory conversion of preferred stock to common stock is triggered by either (a) a closing of a public offering with net proceeds of at least \$50 million at a price of at least \$19.62 per share (Qualified Public Offering) or (b) the vote or written consent of the holders of a preferred majority electing conversion of all preferred stock and junior preferred stock. The preferred stock is redeemable at the greater of a) the unpaid liquidation preference or b) fair value, both determined as of the date of redemption request, contingent upon certain deemed liquidation events outside the control of the Company, none of which are considered probable of occurring as of December 31, 2020. As such, the Company classifies the redeemable convertible preferred stock as temporary equity in the Consolidated Balance Sheets.

In the event of any liquidation event, either voluntary or involuntary, holders of Class E Preferred Stock are entitled to receive out of proceeds or assets of the Company, prior and in preference to the distribution of proceeds to holders of Class D Preferred Stock, Class C Preferred Stock, Class B Preferred Stock, Class A Preferred Stock, Junior Preferred Stock, or Common Stock. Holders of Class D Preferred Stock, Class C Preferred Stock, Class B Preferred Stock and Class A Preferred Stock are entitled to receive proceeds prior and in preference to distribution of proceeds to Junior Preferred Stock. The amount of distributions preferred stockholders are entitled to is equal to the original issue price for each series of issuance, plus declared but unpaid dividends on each such share. The holders of Junior, Class A-1, Class A-2, Class B, Class C, and Class D Preferred Stock shall receive \$1.00, \$1.00, \$1.00, \$1.53, \$6.95, and \$9.79 per share, respectively, plus declared but unpaid dividends on such shares. Class E Preferred Stock has, at the option of the holder, an alternative liquidation preference equal to 1.5 times the original issuance price of \$19.62 for any redemption within 12 months of the original issuance date of October 2020. After this 12-month period, the Class E liquidation preference is equal to \$19.62 plus accrued but unpaid dividends on such shares. Upon completion of the distribution to the preferred stockholders, the remaining proceeds of the

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Company shall be distributed among the holders of Common Stock pro rata based on the number of shares held by each. Preferred stockholders have preemptive voting rights for significant capital transactions including liquidation, merger or sale of the Company, amendments to the operating agreement, issuance of additional equity interests, issuance of debt instruments, and pledging of Company assets. The preferred stock accrues dividends at a rate of 6% per annum, cumulative. The Company has not declared or paid dividends to the holders.

Each share of redeemable convertible preferred stock has a number of votes equal to the number of shares of common stock into which it is convertible. The holders of record of the Series A and Series B redeemable convertible preferred stock vote together on an as-converted basis exclusively and as a separate class and are entitled to elect two directors of the Company. The holders of record of the Series C redeemable convertible preferred stock vote exclusively and as a separate class and is entitled to elect one director of the Company. The holders of record of the Series E redeemable convertible preferred stock vote exclusively and as a separate class and is entitled to elect one director of the Company.

*Redeemable convertible Preferred Units*

The following table summarizes the authorized, issued, and outstanding redeemable convertible preferred units of the Company as of December 31, 2019:

	December 31, 2019				
	Units Authorized	Units Issued and Outstanding	Issuance Price per Unit	Net Proceeds	Liquidation preference
<b>Redeemable Convertible Preferred Units:</b>					
Junior	1,573,547	1,573,547	\$ 1.00	\$ 1,462	\$ 1,901
Class A-1	2,793,007	2,700,000	1.00	2,700	3,291
Class A-2	1,500,000	1,500,000	1.00	1,500	1,795
Class B	1,372,549	1,372,549	1.53	2,065	2,400
Class C	1,760,252	1,760,252	6.95	11,979	13,154
Class D	1,532,176	1,058,224	9.79	10,326	10,404
Total redeemable convertible preferred stock	<u>10,531,531</u>	<u>9,964,572</u>		<u>\$ 30,032</u>	<u>\$ 32,945</u>

The Company issued 102,146 Class D units in January 2020 at an issuance price of \$9.79 per unit, 371,806 Class D units in June 2020 at an issuance price of \$9.79 per unit.

The Company recorded its redeemable convertible preferred units at the issuance price on the dates of issuance, net of issuance costs. Mandatory conversion of preferred units to common units is triggered by either (a) a closing of a qualified public offering or (b) the vote or written consent of the holders of a preferred majority holding at least 65% of the outstanding Preferred Units electing conversion of all preferred stock and junior preferred units. The preferred units are redeemable at the option of the holder on or after April 6, 2024 at the greater of (a) the unpaid liquidation preference or (b) fair value, both determined as of the date of redemption request or upon certain deemed liquidation events outside the control of the Company. As such, the Company classified the redeemable convertible preferred units as temporary equity in the Consolidated Balance Sheet at December 31, 2019 at its current redemption value. The adjustment to redeemable convertible preferred units recorded during the years ended December 31, 2020 and 2019 reflects the adjustment from the carrying value to their respective redemption value.

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In the event of any liquidation event, either voluntary or involuntary, holders of Class D Preferred Units, Class C Preferred Units, Class B Preferred Units, and Class A Preferred Units are entitled to receive proceeds prior and in preference to distribution of proceeds to Junior Preferred Units. Holders of Junior Preferred Units are entitled to receive proceeds prior and in preference to distribution of proceeds to Common Units. The amount of distributions preferred unit holders are entitled to is equal to the original issue price for each series of issuance, plus declared but unpaid returns on each such share. The holders of Junior, Class A-1, Class A-2, Class B, Class C, and Class D Preferred Units shall receive \$1.00, \$1.00, \$1.00, \$1.53, \$6.95, and \$9.79 per unit, respectively, plus declared but unpaid returns on such units. Preferred unit holders have preemptive rights for significant capital transactions including liquidation, merger or sale of the Company, amendments to the operating agreement, issuance of additional equity interests, issuance of debt instruments, and pledging of Company assets. The Preferred Units accrue returns at a rate of 6% per annum, cumulative. The Company has not declared or paid returns to the holders.

Each share of redeemable convertible preferred unit has a number of votes equal to the number of common units. Certain voting matters require the Preferred Majority, as a single class. The holders of record of the Series A and Series B redeemable convertible preferred units are entitled to elect two directors of the Company. The holders of record of the Series C redeemable convertible preferred units are entitled to elect one director of the Company.

*Preferred stock warrants*

As part of the Class A-1 funding in 2016, a warrant for the purchase of 93,007 Class A-1 Preferred Units at an exercise price of \$1 per unit and exercisable at any time before April 2026 was granted to an investor. This warrant was exchanged for a warrant to purchase Class A-1 preferred stock at equivalent terms in October 2020. Because the underlying shares are redeemable for conditions outside of the Company's control, the warrant is classified within other long-term liabilities on the consolidated balance sheets and recognized at fair value at each reporting period with the change in fair value recorded in other expense on the consolidated statement of operations and comprehensive loss. The balance is included in Other long-term liabilities on the consolidated balance sheet. The fair value of warrants issued was calculated using the Black-Scholes option-pricing model (Level 3) with the following assumptions:

	2020	2019
Risk-free interest rate	0.13 %	1.56 %
Expected dividend yield	0 %	0 %
Expected term (years)	2	3
Volatility	85.00 %	63 %

The following table provides a reconciliation of the beginning and ending balances for the preferred stock warrant derivative liability measured at fair value using significant unobservable inputs (Level 3) (in thousands):

Balance at January 1, 2019	\$	151
Change in fair value		86
Balance at December 31, 2019		237
Change in fair value		461
Balance at December 31, 2020	\$	698

**8. Stock-Based compensation**

Prior to the LLC Conversion, the Company granted incentive units and phantom units under its 2015 Equity-Based Incentive Plan ("2015 Plan") to employees and non-employee service providers. In October 2020, in conjunction with the LLC Conversion, the Company adopted the 2020 Stock Option and Grant Plan ("2020 Plan") under which it granted stock options, restricted shares, and stock appreciation rights (SARs) as replacements awards for outstanding awards under the 2015 Plan and as new awards to incentivize employee service.

***Incentive Units and Restricted Stock***

The incentive units had a threshold amount and were economically similar to a common unit with a subordinated liquidation preference. In the event of a distribution upon a liquidation event by the Company, the holder of an incentive unit would receive proceeds only to the extent that common unit holder received proceeds greater than the threshold amount of the award.

Incentive units generally vested 25% after one-year with the remainder vesting monthly over the following three-year period. Certain incentive units had alternative vesting schedules including ratably over two-years and immediate vesting. Upon the occurrence of a liquidation event, 100% of incentive units would vest. Incentive unit holders had voting rights and were entitled to distributions on their vested units.

Activity for the incentive units is shown below:

	Number of Units	Weighted Average Grant Date Fair Value per Unit
Unvested as of December 31, 2018	174,684	0.41
Granted	—	—
Vested	(102,298)	0.42
Cancelled/forfeited	(18,445)	0.37
Unvested as of December 31, 2019	53,941	
Granted	570,989	3.05
Vested	(63,166)	1.03
Cancelled/forfeited	(67,139)	2.56
Unvested as of LLC Conversion	494,625	
Vested as of LLC Conversion	513,430	
Outstanding (vested and unvested) of Exchange date	1,008,055	
Exchange of incentive units for restricted shares or units upon the LLC Conversion	(1,008,055)	
Unvested as of December 31, 2020	—	—

Upon the LLC Conversion, the outstanding 1,008,055 incentive units were exchanged for 808,909 restricted shares granted under the 2020 Plan based on a ratio determined by their threshold amount and the fair value of the restricted stock. The exchange was accounted for as a probable-to-probable modification (Type I modification), and the fair value of the restricted shares did not exceed the fair value of the incentive units on the date of exchange. Accordingly, the restricted shares are measured at the grant date fair value of the incentive units. Shares of restricted stock that do not vest are subject to our right of repurchase or forfeiture.



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Activity for the restricted shares or units is shown below:

	Number of shares
Restricted shares issued in exchange for incentive units at LLC Conversion at October 16, 2020	808,909
Previously vested	(465,240)
Vested	(7,124)
Unvested as of December 31, 2020	336,545

As of December 31, 2020, there was \$1.6 million of unrecognized compensation expense related to the restricted shares expected to be recognized over a remaining weighted-average period of 3.0 years.

**Phantom Units**

Phantom units generally vested at 25% after one-year with the remainder vesting quarterly over the following three-year period. Upon the occurrence of a liquidity event, 100% of phantom units would vest. A liquidity event for purposes of the phantom units meant either of the following events: (i) a person or persons acting as a group (other than a person or group that currently owns more than 50% of the voting power of the Company) acquires ownership of Common Units that, together with the Common Units held by such person or group, constitutes more than 50% of the voting power of all Common Units of the Company or (ii) a person or persons acting as a group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value of more than 60% of the total gross fair market value of all of the assets of the Company immediately before such acquisition or acquisitions. Upon a liquidity event, the phantom unit holders were entitled to a payment equal to the fair value of common units less a strike price. The payment was to be made in the same form of consideration as received by other unitholders as a result of the liquidity event. Other than this payment upon a liquidity event, Phantom units provided no economic value and they provided no voting rights. Due to the presence of an exercise condition that was contingent upon a liquidity event, the Company determined that it was not probable that the phantom units would become exercisable and no compensation expense has been recognized.

Activity for the phantom units is shown below:

	Number of Units	Weighted Average Strike Price
Unvested as of December 31, 2018	238,346	0.68
Granted	59,230	1.26
Vested	(77,975)	0.66
Cancelled/forfeited	(68,340)	0.45
Unvested as of December 31, 2019	151,261	
Granted	430,246	1.58
Vested	(79,557)	1.01
Cancelled/forfeited	(137,918)	1.38
Unvested as of December 31, 2020	364,032	1.55

Following the LLC Conversion, the holders of phantom units were offered to exchange their awards for a combination of cash payment rights, SARs and/or stock options granted under the 2020 Plan.

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The exchange was accounted for as short-term inducement, with no accounting recognition prior to offer expiration in January 2021 as the exchange offer participants were able to modify their election through the expiration date. In January 2021, all participants accepted the offer. The exercisability of cash payment rights and SARs are contingent upon a liquidity event. The stock options vest based on a service condition, generally over a 4-year term.

The aggregate intrinsic value of 660,846 phantom units outstanding as of December 31, 2020 is \$2.7 million based on the estimated fair value of common stock of \$5.14.

**Stock Options**

Stock options generally vest 25% after one-year from the date of the grant with the remainder vesting monthly over the following three-year period. Certain options have alternative vesting schedules including ratably over 2-4 years and immediate vesting. The Company recognizes forfeitures as they occur, and uses the straight-line expense recognition method. Activity for stock options is shown below:

	Number of Options	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands \$)
Outstanding as of December 31, 2019	—			
Granted	522,258	\$ 3.63		
Cancelled/forfeited	(5,671)	3.63		
Outstanding as of December 31, 2020	516,587	3.63	5.9	\$780
Exercisable as of December 31, 2020	18,498	3.63	5.9	\$28
Vested and expected to vest as of December 31, 2020	516,587	\$ 3.63	5.9	\$780

The weighted-average grant date fair value of stock options granted during 2020 was \$2.73. The fair value of options vested during the year ended December 31, 2020 was \$0.1 million. As of December 31, 2020, total unrecognized stock-based compensation related to unvested stock options was \$0.7 million, which the Company expects to recognize over a remaining weighted average period of 3.8 years. The aggregate intrinsic value was calculated based on the estimated fair value of common stock of \$5.14 per share.

**Determination of Fair Value**

The estimated grant-date fair value of all the Company's incentive units and stock options was calculated using the Black-Scholes option pricing model, based on the following assumptions:

	2020	2019
Expected term (in years)	2.0-6.0	—%
Volatility	45%-85%	—%
Risk-free interest rate	0.1%-1.6%	—%
Dividend Yield	—%	—%

The fair value of each incentive unit and stock option was determined by the Company using the methods and assumptions discussed below. Each of these inputs is subjective and generally requires significant judgment and estimation by management.

**Expected Term**—The expected term represents the period that stock-based awards are expected to be outstanding. The Company's incentive units do not have a contractual term. However, there is a

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constructive maturity of the incentive units based on the expected exit or liquidity scenarios for the Company. The Company's historical option exercise data is limited and did not provide a reasonable basis upon which to estimate an expected term. The expected term for options was derived by using the simplified method which uses the midpoint between the average vesting term and the contractual expiration period of the stock-based award.

**Expected Volatility**—The expected volatility was derived from the historical stock volatilities of comparable peer public companies within the Company's industry. These companies are considered to be comparable to the Company's business over a period equivalent to the expected term of the stock-based awards.

**Risk-Free Interest Rate**—The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the date of grant for zero-coupon U.S. Treasury notes with maturities approximately equal to the profit interest units' and stock options' expected term.

**Expected Dividend Rate**—The expected dividend is zero as the Company has not paid nor does it anticipate paying any dividends on its common stock underlying its stock options in the foreseeable future.

The Company estimated the fair value of its common stock underlying the stock-based awards when performing fair value calculations using the Black-Scholes option pricing model. Because the Company's common stock is not currently publicly traded, the fair value of its common stock underlying the stock-based awards has been determined on each grant date by management and approved by the Company's board of directors, considering the most recently available third-party valuation of common shares. All options to purchase shares of the Company's common stock are intended to be granted with an exercise price per share no less than the fair value per share of the common stock underlying those options on the date of grant, based on the information known to the Company on the date of grant. In connection with the preparation of the Company's consolidated financial statements for the years ended December 31, 2020 and 2019, the Company reassessed its estimate of fair value of our common stock for financial reporting purposes. Following this reassessment, it was determined that for financial reporting purposes the fair value of its common stock was higher than the fair value determined by the board of directors at the time of grant on October 28, 2020. The fair value for financial reporting purposes was determined to be \$5.14 per share, compared to a value of \$3.63 per share approved by the board of directors.

The Company's determination of the value of its common stock was performed using methodologies, approaches and assumptions consistent with the American Institute of Certified Public Accountants (AICPA), Audit and Accounting Practice Aid Series: Valuation of Privately Held Company Equity Securities Issued as Compensation (AICPA Practice Aid). In addition, the Company's board of directors considered various objective and subjective factors to determine the fair value of the common stock, including:

- valuations of the Company's common stock performed by third-party valuation specialists;
- the anticipated capital structure that will directly impact the value of the currently outstanding securities;
- the Company's results of operations and financial position;
- the composition of, and changes to, the management team and board of directors;
- the lack of liquidity of the Company's common stock as a private company;
- the Company's stage of development and business strategy and the material risks related to its business and industry;
- external market conditions affecting the life sciences and biotechnology industry sectors;

- U.S. and global economic conditions;
- the likelihood of achieving a liquidity event for the holders of the Company's common stock, such as an IPO or a sale of the company, given prevailing market conditions; and
- the market value and volatility of comparable companies.

The AICPA Practice Aid prescribes several valuation approaches for setting the value of an enterprise, such as the cost, income and market approaches, and various methodologies for allocating the value of an enterprise to its common stock. The cost approach establishes the value of an enterprise based on the cost of reproducing or replacing the property less depreciation and functional or economic obsolescence, if present. The income approach establishes the value of an enterprise based on the present value of future cash flows that are reasonably reflective of our future operations, discounting to the present value with an appropriate risk adjusted discount rate or capitalization rate. The market approach is based on the assumption that the value of an asset is equal to the value of a substitute asset with the same characteristics.

In accordance with the AICPA Practice Aid, the Company considered the various methods for allocating the enterprise value to determine the fair value of its common stock at the valuation date. Under the option pricing method (OPM), shares are valued by creating a series of call options with exercise prices based on the liquidation preferences and conversion terms of each equity class. The value of the common stock is inferred by analyzing these options. The probability weighted expected return method (PWERM) is a scenario-based analysis that estimates the value per share based on the probability-weighted present value of expected future investment returns, considering each of the possible outcomes available to us, as well as the economic and control rights of each share class.

Starting in 2020, the Company used a hybrid method to determine the estimated fair value of its common stock, which included both the OPM and PWERM models.

As of December 31, 2020, the Company had reserved 2,703,997 shares of common stock for issuance under the 2020 Plan, of which, 1,445,460 were available for issuance.

#### **9. Employee benefit plan**

The Company sponsors a 401(k) tax-deferred savings plan for all employees who meet certain eligibility requirements. Participants may contribute, on a pre-tax or post-tax basis, a percentage of their annual compensation, not to exceed a maximum contribution amount pursuant to Section 401(k) of the Internal Revenue Code. The Company match is 100% of the employees' first contribution of 3%, plus 50% of the next 2% of eligible compensation contributed by the employee, up to a maximum Company match of 4% of compensation for each employee. The Company contributed \$0.2 million and \$0.1 million for the years ended December 31, 2020 and 2019, respectively.

#### **10. Related party transactions**

The Company entered into a joint development agreement with AGC, Inc., the parent company of the employer of one of the Company's directors. Revenue recognized under the agreement for the years ended December 31, 2020 and 2019 was \$0.2 million and \$0.9 million, respectively. The Company has the opportunity to earn additional revenues under the agreement in future years if pre-determined milestones are achieved. There were no amounts due or payable as of December 31, 2020 and 2019.

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**11. Net loss per share attributable to common stockholders and unitholders**

The following table sets forth the computation of the Company's basic and diluted net loss per share attributable to common stockholder and unitholders (in thousands, except share and per share amounts):

	2020	2019
<b>Numerator:</b>		
Net loss	\$ (14,353)	\$ (6,584)
Adjustment of redeemable convertible preferred stock and units	(34,336)	(17,286)
Cumulative undeclared preferred stock dividends	(780)	—
Net loss available to common stockholder and unitholders	<u>\$ (49,469)</u>	<u>\$ (23,870)</u>
<b>Denominator:</b>		
Weighted-average common shares and units outstanding	4,691,020	4,606,505
Net loss per share, basic and diluted	<u>\$ (10.55)</u>	<u>\$ (5.18)</u>

Potentially dilutive securities not included in the calculation of diluted net loss per share because to do so would be anti-dilutive are as follows (in common stock equivalent shares):

	2020	2019
Redeemable convertible preferred stock and units outstanding	13,752,043	9,964,572
Redeemable convertible preferred stock and unit warrants	93,007	93,007
Stock options	498,089	—
Unvested restricted stock	336,545	—

Refer to Note 8: *Share-based compensation* and Note 13: *Subsequent Events* for descriptions of transactions occurring subsequent to December 31, 2020 that could impact the number of common shares outstanding had the transaction occurred prior to December 31, 2020.

**12. Income taxes**

The Company was classified as a partnership, and was therefore a pass-through entity, for U.S. income tax purposes through the LLC Conversion on October 15, 2020. The Company incurred net losses for the year ended December 31, 2020. The Company has not reflected any benefit of such net operating loss carryforwards in the accompanying consolidated financial statements. The

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significant components of income tax for the years ended December 31 are as follows (in thousands):

	<b>2020</b>
<b>Current</b>	
Federal	\$ —
State	2
<b>Total current</b>	<b>2</b>
<b>Deferred expense/(benefit)</b>	
Federal	—
State	—
<b>Total deferred</b>	<b>—</b>
<b>Total</b>	<b>\$ 2</b>

The provision for income taxes results in effective tax rates which are different than the federal income tax statutory rate. The nature of the differences for the year ended December 31, 2020 were as follows:

	<b>2020</b>
Expected federal income tax	21.00 %
State income taxes after credits	4.24
Tax-effect of change in entity status	(3.69)
Change in valuation allowance	(3.32)
Research and development credits	0.05
Stock-based compensation	(0.35)
Revaluation of warrant liability	(0.22)
Loss allocable to pre-incorporation period	(17.72)
Other	—
<b>Effective tax rate</b>	<b>— %</b>

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and amounts used for income

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tax purposes. Significant components of the Company's deferred income tax assets and liabilities are as follows at December 31, 2020 (in thousands):

	<b>2020</b>
<b>Deferred tax assets:</b>	
Net operating losses	\$ 941
Research and development credits	7
Stock-based compensation	19
Lease liability	1,157
Accrued expenses	3
Gross deferred tax assets	2,127
Less valuation allowance	(477)
<b>Total deferred tax assets</b>	<b>1,650</b>
<b>Deferred tax liabilities:</b>	
Depreciation	(520)
Right-of-Use Lease	(1,130)
Gross deferred tax liabilities	(1,650)
<b>Deferred tax liabilities, net</b>	<b>\$ —</b>

As of December 31, 2020, the Company has remaining federal net operating losses of \$3.7 million and has state net operating loss carryforwards of approximately \$3.0 million to offset against future taxable income for state tax purposes. Under the Tax Cuts and Jobs Act of 2017 (TCJA), federal net operating losses can now be carried forward indefinitely. State net operating losses can be carried forward for 5 to 20 years depending on the jurisdiction and will begin to expire in years 2025 to 2040. The company also had an immaterial amount of Federal research credit carryforwards that will begin to expire in 2040.

In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred assets will be realized. The ultimate realization of the deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Evaluating the need for a valuation allowance for deferred tax assets often requires judgment and analysis of all the positive and negative evidence available, including cumulative losses in recent years and projected future taxable income, to determine whether all or some portion of the deferred tax assets will not be realized. As of December 31, 2020, the Company has recorded a full valuation allowance to offset the net deferred tax assets as the Company believes it is not more likely than not that the net deferred tax assets will be fully realizable. The valuation allowance increased \$0.5 million during the year ended December 31, 2020.

Under the provisions of the Internal Revenue Code, certain substantial changes in the company's ownership may result in a limitation on the amount of net operating loss carryforwards and research and development credit carryforwards which could be utilized annually to offset future taxable income and taxes payable. A formal Section 382 study was not performed through December 31, 2020.

**13. Subsequent events**

Management has evaluated, for potential recognition or disclosure in the financial statements, subsequent events that have occurred through May 6, 2021, which is the date that the financial statements were available to be issued.

***Denovium acquisition***

In January 2021, the Company completed its acquisition of the common stock of Denovium, Inc., an artificial intelligence deep learning company in exchange for a combination of cash and equity consideration. The cash consideration totaled \$5.2 million and the equity consideration included the issuance of 305,864 shares of its common stock. The cash and equity consideration include certain continued employment and service requirements that are earned and vest over a period of four years.

***Long-term debt and other borrowings***

In February 2021, the Company entered into a Fourth Amendment to the LSA. This amendment gave effect to the Company's conversion to a corporation and its purchase of Denovium, including permitting certain cash and equity consideration linked to continued employment and service requirements.

***Merck strategic investment***

In February 2021, Merck Global Health Innovation Fund purchased 254,886 shares of the Company's Series E Preferred Stock for an aggregate price of \$5.0 million. The price per share of \$19.62 was consistent with the closing of the Series E Preferred round that closed in October 2020.

***Lease amendment***

In March 2021, the Company entered into an amendment to its lease agreement with respect to its new facility currently under construction. The amendment makes certain changes to the original lease, including (i) the addition of 16,367 square feet of office and laboratory space at the same site (Expansion Premises) and (ii) an extension of the expiration date of the original lease by 24 months following the rent commencement date of April 1, 2021.

The amendment provides for annual base rent for the Expansion Premises of approximately \$0.3 million in the first year of the lease term, which increases on an annual basis to approximately \$0.4 million in the final year of the lease term. The amendment also provides for additional tenant incentives in the amount of \$0.7 million. Additionally, with the execution of this amendment, the Company maintains a one-time option to terminate the lease for the Original premise and Expansion premise after five years. All other terms of the lease amendment for the Expansion Premises are consistent with the existing new facility lease agreement. Under the amendment, the Company retains its original option to renew the lease for an additional five-year term, at then-current market rates.

***Convertible notes***

In March 2021, the Company issued \$125.0 million aggregate principal amount of Convertible Notes to certain existing and new investors. The Convertible Notes are convertible into the Company's preferred shares or common shares under certain circumstances or qualified financings. The Convertible Notes will convert at a price per share equal to the lower of (a) 82% of the initial public offering price or (b) a price determined based on the pre-money valuation of the Company at \$1.5 billion divided by the total outstanding shares of the common stock immediately prior to this offering, as calculated on an as converted and fully diluted basis as set forth in the Convertible Notes.

***Stock options***

Subsequent to December 31, 2020 the Company granted 1,250,753 stock options, with a weighted average exercise price of \$4.43 and of which 531,942 were as a result of the phantom unit exchange discussed in Note 8: Stock-based compensation.



**ABSCI CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

(In thousands, except for share and per share data)	December 31, 2020	March 31, 2021 (unaudited)
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 69,867	\$ 180,756
Receivables under development arrangements	1,594	1,040
Prepaid expenses and other current assets	1,773	3,548
Total current assets	73,234	185,344
Operating lease right-of-use assets	4,476	7,610
Property and equipment, net	8,909	21,623
Intangibles, net	—	2,410
Goodwill	—	1,055
Restricted cash	1,841	4,367
Other assets	109	424
<b>TOTAL ASSETS</b>	<b>\$ 88,569</b>	<b>\$ 222,833</b>
<b>LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND UNITS AND OTHER STOCKHOLDERS' AND MEMBERS' DEFICIT</b>		
Current liabilities:		
Accounts payable	\$ 2,116	\$ 8,449
Accrued expenses	1,569	2,432
Loans payable	632	—
Current portion of long-term debt	903	917
Current portion of operating lease obligations	770	1,121
Current portion of financing lease obligations	1,475	2,069
Deferred revenue	2,630	2,403
Total current liabilities	10,095	17,391
Convertible promissory notes	—	125,000
Long-term debt - net of current portion	4,141	4,138
Operating lease obligations - net of current portion	3,813	9,192
Finance lease obligations - net of current portion	2,766	2,537
Other long-term liabilities	749	1,701
<b>TOTAL LIABILITIES</b>	<b>21,564</b>	<b>159,959</b>
Commitments (See Note 7)		
Redeemable convertible preferred stock, \$0.0001 par value; 14,099,936 and 13,845,050 shares authorized as of March 31, 2021 and December 31, 2020, respectively; 14,006,929 and 13,752,043 issued and outstanding as of March 31, 2021 and December 31, 2020 respectively; liquidation preference of \$217,023 and \$203,095 as of March 31, 2021 and December 31, 2020, respectively	156,433	161,377
<b>OTHER STOCKHOLDERS' AND MEMBERS' DEFICIT</b>		
Common units, no par value, zero and zero units authorized as of March 31, 2021 and December 31, 2020, respectively; zero and zero units issued and outstanding as of March 31, 2021 and December 31, 2020, respectively	—	—
Common stock, \$0.0001 par value; zero and 22,000,000 shares authorized as of March 31, 2021 and December 31, 2020, respectively; 5,934,236 and 5,415,414 shares issued and outstanding as of March 31, 2021 and December 31, 2020, respectively	—	—
Additional paid-in capital	637	2,524
Accumulated deficit	(90,065)	(101,027)
<b>TOTAL OTHER STOCKHOLDERS' AND MEMBERS' DEFICIT</b>	<b>(89,428)</b>	<b>(98,503)</b>
<b>TOTAL LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND UNITS AND OTHER STOCKHOLDERS' AND MEMBERS' DEFICIT</b>	<b>\$ 88,569</b>	<b>\$ 222,833</b>

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

**ABSCI CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(In thousands, except for share and per share data)	For the Three Months Ended March 31,	
	2020	2021
	(unaudited)	(unaudited)
<b>Revenues</b>		
Technology development revenue	\$ 525	\$ 940
Collaboration revenue	47	123
<b>Total revenues</b>	<b>572</b>	<b>1,063</b>
<b>Operating expenses</b>		
Research and development	1,907	7,050
Selling, general and administrative	971	4,685
Depreciation and amortization	184	476
<b>Total operating expenses</b>	<b>3,062</b>	<b>12,211</b>
<b>Operating loss</b>	<b>(2,490)</b>	<b>(11,148)</b>
<b>Other income (expense)</b>		
Interest expense	(98)	(455)
Other income (expense), net	(70)	164
<b>Total other expense, net</b>	<b>(168)</b>	<b>(291)</b>
<b>Loss before income taxes</b>	<b>(2,658)</b>	<b>(11,439)</b>
Income tax benefit	—	477
<b>Net loss and comprehensive loss</b>	<b>(2,658)</b>	<b>(10,962)</b>
Adjustment of redeemable preferred units and stock	(11,154)	—
Cumulative undeclared preferred stock dividends	—	(995)
<b>Net loss applicable to common stockholders and unitholders</b>	<b>\$ (13,812)</b>	<b>\$ (11,957)</b>
<b>Net loss per share attributable to common stockholders and unitholders:</b>		
Basic and diluted	<b>\$ (3.00)</b>	<b>\$ (2.33)</b>
<b>Weighted-average common shares and units outstanding:</b>		
Basic and diluted	<b>4,606,505</b>	<b>5,140,648</b>

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

**ABSCI CORPORATION**  
**STATEMENTS OF CHANGES IN REDEEMABLE CONVERTIBLE PREFERRED STOCK AND UNITS AND OTHER STOCKHOLDERS'**  
**AND MEMBERS' DEFICIT (UNAUDITED)**

(In thousands, except for unit and per unit data)	Redeemable Convertible Preferred Units		Common Units		Additional Paid-In Capital	Accumulated Deficit	Condensed Total Members' Deficit
	Units	Amount	Units	Amount			
<b>Balances - December 31, 2019</b>	9,964,572	\$ 52,763	4,606,505	\$ —	\$ 217	\$ (41,376)	\$ (41,159)
Issuance of Class D preferred units, net of issuance costs	102,146	994	—	—	—	—	—
Increase in preferred unit redemption value	—	11,154	—	—	—	(11,154)	(11,154)
Stock-based compensation	—	—	—	—	8	—	8
Net loss	—	—	—	—	—	(2,658)	(2,658)
<b>Balances - March 31, 2020</b>	<u>10,066,718</u>	<u>\$ 64,911</u>	<u>4,606,505</u>	<u>\$ —</u>	<u>\$ 225</u>	<u>\$ (55,188)</u>	<u>\$ (54,963)</u>

(In thousands, except for share and per share data)	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Condensed Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
<b>Balances - December 31, 2020</b>	13,752,043	\$ 156,433	5,415,414	\$ —	\$ 637	\$ (90,065)	\$ (89,428)
Issuance of Class E preferred stock, net of issuance costs	254,886	4,944	—	—	—	—	—
Issuance of restricted stock	—	—	212,958	—	—	—	—
Stock-based compensation	—	—	—	—	1,519	—	1,519
Issuance of shares in acquisition of Denovium	—	—	305,864	—	368	—	368
Net loss	—	—	—	—	—	(10,962)	(10,962)
<b>Balances - March 31, 2021</b>	<u>14,006,929</u>	<u>\$ 161,377</u>	<u>5,934,236</u>	<u>\$ —</u>	<u>\$ 2,524</u>	<u>\$ (101,027)</u>	<u>\$ (98,503)</u>

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

**ABSCI CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**

(In thousands)	Three Months Ended March 31,	
	2020	2021
<b>Cash Flows From Operating Activities</b>		
Net loss	\$ (2,658)	\$ (10,962)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	184	476
Deferred income taxes	—	(477)
Share-based compensation	8	2,152
Gain on extinguishment of loan payable	—	(636)
Preferred stock warrant liability expense	112	475
Changes in operating assets and liabilities:		
Receivables under development arrangements	(63)	615
Prepaid expenses and other current assets	45	(690)
Operating lease right-of-use assets and liabilities	6	255
Other long-term assets	(74)	32
Accounts payable	170	1,258
Accrued expenses and other liabilities	(125)	444
Deferred revenue	(34)	(227)
Net cash used in operating activities	(2,429)	(7,285)
<b>Cash Flows From Investing Activities</b>		
Purchases of property and equipment	(189)	(6,364)
Acquisition, net of cash acquired - Denovium, Inc.	—	(2,512)
Net cash used in investing activities	(189)	(8,876)
<b>Cash Flows From Financing Activities</b>		
Proceeds from issuance of redeemable convertible preferred units and stock, net of issuance costs	994	4,944
Proceeds from issuance of convertible promissory notes	—	125,000
Principal payments on long-term debt	(300)	—
Principal payments on finance lease obligations	(128)	(368)
Net cash provided by financing activities	566	129,576
Net increase (decrease) in cash, cash equivalents, and restricted cash	(2,052)	113,415
Cash, cash equivalents and restricted cash - Beginning of year	13,876	71,708
Cash, cash equivalents, and restricted cash - End of period	\$ 11,824	\$ 185,123
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid during the period for interest	\$ 77	\$ 154
<b>Supplemental Disclosure of Non-Cash Investing and Financing Activities</b>		
Property and equipment purchased under finance lease	\$ 1,887	\$ 733
Right -of-use assets obtained in exchange for operating lease obligation	—	3,330
Cash paid for amounts included in the measurement of operating lease liabilities	105	109
Property and equipment purchases included in accounts payable	29	5,685
Deferred offering costs included in accounts payable	—	337
Increase in redemption value of convertible preferred stock	11,154	—
Issuance of common stock relating to Denovium acquisition	—	—

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

**1. Organization and nature of operations**

Absci Corporation (Company) has developed an integrated drug creation platform that enables the creation of biologics by unifying the drug discovery and cell line development processes into one process. The Company was organized in the State of Oregon in August 2011 as a limited liability company and converted to a limited liability company (LLC) in Delaware in April 2016. In October 2020, the Company converted from a Delaware LLC to a Delaware corporation (LLC Conversion). Its operations are located in Vancouver, Washington.

***LLC Conversion***

In conjunction with the LLC Conversion, (i) all of the Company's outstanding common units converted on a 1-for-1 basis into shares of common stock, par value \$0.0001; and (ii) all of the Company's outstanding redeemable preferred units converted on a 1-for-1 basis into shares of redeemable convertible preferred stock, par value \$0.0001. Prior to the LLC Conversion, the Company had issued incentive units to certain employees, directors, and consultants. The outstanding vested incentive units converted on a net issuance basis into shares of common stock and the outstanding unvested incentive units converted on a net issuance basis into restricted common stock. All vesting provisions remained the same following the LLC Conversion. See Note 8: *Stock based compensation* for further discussion of the LLC Conversion's impact on the Company's stock-based compensation plans.

***Unaudited Interim Financial Information***

The accompanying interim condensed consolidated balance sheet as of March 31, 2021, the condensed consolidated statements of operations and comprehensive loss, condensed consolidated changes in redeemable convertible preferred stock and units and other stockholders' and members' deficit, and condensed consolidated statements of cash flows for the three months ended March 31, 2020 and 2021 and the related footnote disclosures are unaudited. In management's opinion, the unaudited interim financial statements have been prepared on the same basis as the audited financial statements and include all adjustments, which include only normal recurring adjustments, necessary for the fair presentation of the Company's financial position as of March 31, 2021 and its results of operations and cash flows for the three months ended March 31, 2020 and 2021 in accordance with accounting principles generally accepted in the United States (US GAAP). The results for the three months ended March 31, 2021 are not necessarily indicative of the results expected for the full fiscal year or any other interim period. The condensed consolidated balance sheet at December 31, 2020 has been derived from the audited financial statements at that date but does not include all disclosures required by US GAAP for complete financial statements. Because all of the disclosures required by US GAAP for complete financial statements are not included herein, these unaudited condensed consolidated financial statements and the notes accompanying them should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2020.

**2. Summary of significant accounting policies**

***Basis of presentation***

The condensed consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States (GAAP) as defined by the Financial Accounting Standards Board (FASB). The condensed consolidated financial statements include the Company's wholly-owned subsidiaries and entities under its control. The Company has eliminated all intercompany transactions and accounts.

***Emerging growth company***

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and it may take

advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the independent registered public accounting firm attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

***Business combinations***

The Company utilizes the acquisition method of accounting for business combinations and allocates the purchase price of an acquisition to the various tangible and intangible assets acquired and liabilities assumed based on their estimated fair values. The Company primarily establishes fair value using the replacement cost approach or the income approach based upon a discounted cash flow model. The replacement cost approach measures the value of an asset by the cost to reconstruct or replace it with another of like utility. The income approach requires the use of many assumptions and estimates including future revenues and expenses, as well as discount factors and income tax rates. Other estimates include:

- The use of carrying value as a proxy for fair values of fixed assets and liabilities assumed from the target; and
- Fair values of intangible assets and contingent consideration.

While the Company uses best estimates and assumptions as part of the purchase price allocation process to accurately value assets acquired and liabilities assumed at the business acquisition date, these estimates and assumptions are inherently uncertain and subject to refinement. As a result, during the purchase price measurement period, which is no more than one year from the business acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Business combinations also require the Company to estimate the useful life of certain intangible assets acquired and this estimate requires significant judgment.

***Use of estimates***

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates include, but are not limited to, revenue recognition including estimated timing of the satisfaction of performance obligations, purchase price allocations in conjunction with business combinations, and the fair value of stock-based compensation awards. The Company bases its estimates on historical experiences, and other relevant factors that it believes to be reasonable under the circumstances. Actual results could differ from those estimates.

***Segment information***

The Company operates as a single operating segment. The Company's chief operating decision maker, its Chief Executive Officer, manages the Company's operations on a consolidated basis for the purposes of allocating resources, making operating decisions and evaluating performance.

***Cash, cash equivalents and restricted cash***

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Restricted cash represents amounts pledged as collateral for future property lease payments via standby letters of credit (see Note 6).

***Accounts receivable***

Accounts receivable consists of amounts due from partners for services performed. The Company reviews accounts receivable for credit impairment and regularly analyzes the status of significant past due receivables to determine if any will potentially be uncollectible to estimate the amount of allowance necessary to reduce accounts receivable to its estimated net realizable value. To date, no allowance has been necessary. See contract asset discussion below regarding unbilled receivables.

***Fair value of financial instruments***

Certain assets and liabilities are carried at fair value under GAAP and consist principally of a fee in-lieu of warrant issuance, a warrant to purchase convertible preferred stock and convertible promissory notes. The carrying amounts of cash equivalents, accounts payable, and accrued liabilities approximate their related fair values due to the short-term nature of these instruments. None of the Company's non-financial assets or liabilities are recorded at fair value on a recurring basis.

As permitted under Accounting Standards Codification ("ASC") 825, Financial Instruments, ("ASC 825"), the Company has elected the fair value option to account for its convertible promissory notes issued during the three months ended March 31, 2021. In accordance with ASC 825, the Company records these convertible promissory notes at fair value on its balance sheet. Changes in fair value of the warrant to purchase convertible preferred stock and the convertible promissory notes are recorded in the statements of operations and comprehensive loss. As a result of applying the fair value option, direct costs and fees related to the convertible promissory notes were recognized as incurred and not deferred.

There are significant judgments and estimates inherent in the determination of the fair value of these liabilities. If the Company had made different assumptions including, among others, those related to the timing and probability of various corporate scenarios, discount rates, volatilities and exit valuations, the carrying values of the fee in lieu of warrant, warrant liability, and net loss and net loss per common share could have been significantly different.

The Company classifies the interest that has been accrued on the convertible promissory notes in the change in fair value of convertible promissory notes on the statement of operations.

***Concentration risk***

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, restricted cash, and receivables under development arrangements. The Company maintains its cash and cash equivalents and restricted cash in bank accounts, which at times may exceed federally insured limits. The Company has not experienced any losses on these accounts. For the three months ended March 31, 2021, one partner represented approximately 90% of technology development revenue. For the three months ended March 31, 2020, one partner represented 100% of technology development revenue.

As of March 31, 2021, three partners represented approximately 93% of total receivables under technology development arrangements. As of December 31, 2020, one partner represented approximately 93% of total receivables under technology development arrangements.

The Company purchases from and relies on two vendors for specific equipment and consumables which are critical to its operations. While there are alternative types of equipment that could be used as an alternative, switching vendors would require significant capital investment, long lead times and significant training and validation.

***Property and equipment, net***

Property and equipment are stated at cost less accumulated depreciation and amortization. Additions and betterments to property and equipment are capitalized. The costs of maintenance

and repairs are expensed as incurred. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the underlying assets, which vary from 3 to 7 years. Leasehold improvements are amortized over the shorter of the term of the lease or the estimated useful lives of the assets. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation or amortization are removed from their respective accounts, and the resulting gain or loss is reported as income or expense in the statements of operations and comprehensive loss.

***Deferred Offering Costs***

The Company has deferred offering costs consisting of legal and accounting fees directly attributable to its planned initial public offering. The deferred offering costs will be offset against the proceeds received upon the completion of this offering. In the event this offering is terminated, all of the deferred offering costs will be expensed within the Company's statements of operations. As of March 31, 2021, \$0.3 million of deferred offering costs were recorded within other long-term assets on the balance sheet.

***Impairment of long-lived assets***

Management reviews long-lived assets for possible impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability is measured by comparison of the carrying amount to the future undiscounted net cash flows expected to result from the use of the asset and its eventual disposition. If these estimated cash flows were less than the carrying amount of the asset, an impairment loss would be recognized in order to write down the asset to its estimated fair value. There have been no such impairments of long-lived assets during the three months ended March 31, 2021.

***Redeemable convertible preferred unit and stock warrant liability***

Outstanding warrants that are related to the Company's redeemable convertible preferred units and redeemable convertible preferred stock are classified as liabilities on the balance sheets. As the warrants are exercisable for redeemable convertible preferred units and redeemable convertible preferred stock, the Company has recognized a liability for the fair value of its warrants on the balance sheets upon issuance and subsequently remeasures the liability to fair value at the end of each reporting period until the earlier of the expiration or exercise of the warrants.

***Revenue recognition***

The Company recognizes revenue when control of its products and services are transferred to its customers in an amount that reflects the consideration expected to be received in exchange for those products and services. This process involves identifying the contract with a customer, determining the performance obligations in the contract, determining the contract price, allocating the contract price to the distinct performance obligations in the contract, and recognizing revenue when or as the performance obligations are satisfied. A performance obligation is considered distinct from other obligations in a contract when it provides a benefit to the customer either on its own or together with other resources that are readily available to the customer and is separately identified in the contract. The Company considers a performance obligation satisfied once control of a good or service has been transferred to the customer, meaning the customer has the ability to use and obtain the benefit of the good or service. Technology development revenue includes revenue associated to the development and technology readiness phases of technology development agreements. The Company refers to its customers as "partners" when describing their relationship in an agreement.

***Technology development revenue***

The Company's Technology Development Agreements (TDAs) generally include multiple phases of Cell Line Development (CLD) such as library design, assay development, strain screening,



fermentation optimization, purification, and analytics that all represent a single performance obligation. These agreements may include options for additional goods and services such as readying the technology to transfer to the partner and licensing terms. The transaction prices for these arrangements include fixed and variable consideration for the single performance obligation as well as variable consideration for success-based achievements. Any variable consideration is constrained to the extent that it is probable that a significant reversal of cumulative revenue will not occur. Depending on the specific terms of the arrangement, the Company either recognizes revenue over time or at a point in time. While there is no alternative use to the Company for the asset created, the agreement's terms vary as to whether an enforceable right to payment exists for performance completed as of that date. Primarily all of the Company's contracts with its partners include an enforceable right to payment.

The Company measures progress toward the completion of the performance obligations satisfied over time using an input method based on an overall estimation of the effort incurred to date at each reporting period to satisfy a performance obligation. This method provides an appropriate depiction of completed progress toward fulfilling its performance obligations for each respective arrangement. In certain technology development agreements that require a portion of the contract consideration to be received in advance at the commencement of the contract, such advance payment is initially recorded as a contract liability.

*KBI BioPharma, Inc. Collaboration agreement*

In December 2019, the Company executed a four-year Joint Marketing Agreement (JMA) with KBI BioPharma, Inc. (KBI) to co-promote technologies through joint marketing efforts. The JMA provides for a non-refundable upfront payment of \$0.8 million and milestone payments of \$2.8 million in the aggregate, of which \$2.3 million had been received as of March 31, 2021, upon the achievement of specific milestones. Upfront payments that relate to ongoing collaboration efforts required throughout the contract term such as joint marketing are recognized ratably throughout the contract term. The Company fully constrains revenue associated with the milestone payments until the specified milestones are probable of achievement. Additionally, KBI is obligated to make royalty payments to the Company during the fourth year of the JMA representing a percentage of its sales generated through the arrangement. Any costs incurred to KBI through the duration of the JMA are recognized as a reduction to collaboration revenue in the period in which they are incurred. As of March 31, 2021 and December 31, 2020, deferred revenue related to this JMA was \$1.6 million and \$1.8 million, respectively.

*Contract balances*

Contract assets are generated when contractual billing schedules differ from revenue recognition timing and the Company records a contract receivable when it has an unconditional right to consideration. As of March 31, 2021 and December 31, 2020, contract assets were \$0.0 million and \$0.1 million, respectively.

Contract liabilities are recorded in deferred revenue when cash payments are received or due in advance of the satisfaction of performance obligations. As of March 31, 2021 and December 31, 2020, contract liabilities were \$2.4 million and \$2.6 million, respectively. During the three months ended March 31, 2021, the Company recognized \$1.0 million, as revenue that had been included in deferred revenue at the beginning of the period. During the three months ended March 31, 2020, the Company recognized \$0.1 million, as revenue that had been included in deferred revenue at the beginning of the period.

**Income taxes**

Prior to the LLC Conversion, all income tax effects of the Company's operations were passed through to its members individually. Accordingly, the accompanying financial statements do not include any income tax effects for the Company prior to the LLC Conversion date, and the Company

had no unrecognized income tax benefits, nor any interest or penalties associated with unrecognized income tax benefits, accrued or expensed as of and for the years ended December 31, 2019 and the period from January 1, 2020 through October 5, 2020.

Following the LLC Conversion, the Company accounts for income taxes using the asset and liability method whereby deferred tax asset and liability accounts are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that are currently in effect. Valuation allowances are established where necessary to reduce deferred tax assets to the amounts expected to be realized.

The Company files income tax returns in the federal and various state tax jurisdictions.

The Company recognizes interest and penalties related to income tax matters as a component of tax expense. The Company did not record any interest or penalties related to income tax during the three months ended March 31, 2021.

### **Leases**

At the inception of a contractual arrangement, the Company determines whether the contract contains a lease by assessing whether there is an identified asset and whether the contract conveys the right to control the use of the identified asset in exchange for consideration over a period of time. If both criteria are met, the Company records the associated lease liability and corresponding right-of-use asset upon commencement of the lease using the implicit rate or a discount rate based on a credit adjusted secured borrowing rate commensurate with the term of the lease.

The Company additionally evaluates leases at their inception to determine if they are to be accounted for as an operating lease or a finance lease. Operating lease assets represent a right to use an underlying asset for the lease term and operating lease liabilities represent an obligation to make lease payments arising from the lease. Operating lease obligations with a term greater than one year and their corresponding right-of-use assets are recognized on the balance sheet at the commencement date of the lease based on the present value of lease payments over the expected lease term. Certain adjustments to the right-of-use asset may be required for items such as initial direct costs paid or incentives received.

As the Company's operating leases do not typically provide an implicit rate, the Company utilizes the appropriate incremental borrowing rate, determined as the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term and in a similar economic environment. The lease cost is recognized on a straight-line basis over the lease term and variable lease payments are recognized as operating expenses in the period in which the obligation for those payments is incurred. Variable lease payments primarily include common area maintenance, utilities, real estate taxes, insurance and other operating costs that are passed on from the lessor in proportion to the space leased by the Company.

The Company accounts for its finance leases by calculating an implied interest rate in the lease contract and recognizing a finance lease right of use asset and lease liability. The right of use asset is recognized in property and equipment, net, in the asset category in which the underlying asset relates. The lease liability is recognized in the condensed consolidated balance sheet as a finance lease obligation.

### **Research and development expenses**

Research and development expenses includes the cost of materials, personnel-related costs (comprised of salaries, benefits and share-based compensation), consulting fees and allocated facility costs associated with both our execution of technology development agreements and collaboration agreements, as well as ongoing development of our Integrated Drug Creation Platform and other technologies. Allocated facility costs include facility occupancy and information technology costs. The Company derives improvements to its platform from both types of activities.

The Company has not historically tracked its research and development expenses on a partner-by-partner basis or on a program-by-program basis.

***Stock-based compensation***

Stock-based compensation includes compensation expense for incentive units, restricted stock, and stock option grants to employees and is measured on the grant date based on the fair value of the award and recognized on a straight-line basis over the requisite service period. The fair value of options to purchase common stock are measured using the Black-Scholes option-pricing model. The Company accounts for forfeitures as they occur. Prior to the LLC Conversion, the Company also granted phantom units which due to the presence of an exercise condition contingent upon a liquidity event, the Company determined that it was not probable that the phantom units would become exercisable.

***Net Loss Per Share Attributable to Common Stockholders and Unitholders***

The Company calculates basic and diluted net loss per share attributable to common stockholders and unitholders in conformity with the two-class method required for companies with participating securities. The Company considers its redeemable convertible preferred stock and units to be participating securities. In the event a dividend is declared or paid on common stock and units, holders of redeemable convertible preferred stock and units are entitled to a share of such dividend in proportion to the holders of common stock and units on an as-if converted basis. Under the two-class method, basic net loss per share attributable to common stockholder and unitholder is calculated by dividing the net loss attributable to common stockholder and unitholder by the weighted-average number of shares of common stock and units outstanding for the period. Net loss attributable to common stockholders and unitholders is determined by allocating undistributed earnings between common and preferred stockholders and unitholders. The diluted net loss per share attributable to common stockholders and unitholders is computed by giving effect to all potential dilutive common stock and unit equivalents outstanding for the period determined using the treasury stock method. The net loss attributable to common stockholders and unitholders was not allocated to the redeemable convertible preferred stock and units under the two-class method as the redeemable convertible preferred stock and units do not have a contractual obligation to share in the Company's losses. For purposes of this calculation, redeemable convertible preferred stock and units, redeemable convertible preferred stock and unit warrants, incentive (formerly incentive units) and non-qualified stock options are considered common stock equivalents but have been excluded from the calculation of diluted net loss per share attributable to common stockholders and unitholders as their effect is anti-dilutive.

***Recently Adopted Accounting Pronouncements***

In August 2020, the FASB issued ASU No. 2020-06, Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40) ("ASU No. 2020-06"). The new guidance eliminates two of the three models in ASC 470-20 that require separating embedded conversion features from convertible instruments. As a result, only conversion features accounted for under the substantial premium model in ASC 470-20 and those that require bifurcation in accordance with ASC 815-15 will be accounted for separately. For contracts in an entity's own equity, the new guidance eliminates some of the requirements in ASC 815-40 for equity classification. The guidance also addresses how convertible instruments are accounted for in the diluted earnings per share calculation and requires enhanced disclosures about the terms of convertible instruments and contracts in an entity's own equity. ASU 2020-06 is effective for the Company after December 15, 2023. Early adoption is permitted for fiscal periods beginning after December 15, 2020. The Company adopted this standard as of January 1, 2021, and the adoption of this standard did not impact its condensed consolidated financial statements.

***Recently issued accounting pronouncements, not yet adopted***

In December 2019, the FASB issued amended guidance on the accounting and reporting of income taxes. The guidance is intended to simplify the accounting for income taxes by removing exceptions related to certain intraperiod tax allocations and deferred tax liabilities; clarifying guidance primarily related to evaluating the step-up tax basis for goodwill in a business combination; and reflecting enacted changes in tax laws or rates in the annual effective tax rate. The amended guidance is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted. The application of the amendments in the new guidance are to be applied on a retrospective basis, on a modified retrospective basis through a cumulative-effect adjustment to retained earnings or prospectively, depending on the amendment. The Company is currently evaluating the impact of adoption on its condensed consolidated financial statements.

**3. Acquisitions**

*Acquisition of Denovium*

In January 2021, the Company completed its acquisition of the common stock of Denovium, Inc (Denovium), an artificial intelligence deep learning company focused on protein discovery and design. The Company intends to integrate Denovium's technology into its Integrated Drug Creation Platform. The acquisition has been accounted for as a business combination.

Pursuant to the terms of the agreement, the Company acquired all outstanding equity of Denovium for estimated total consideration of \$3.0 million, which consists of (in thousands):

Cash consideration	\$	2,670
Equity consideration		368
Total purchase consideration	\$	<u>3,038</u>

Cash consideration includes a \$2.5 million up-front payment and a payment for working capital adjustments.

In addition to the \$2.5 million paid up-front, \$2.5 million was placed into escrow subject to the continued service and/or employment of Denovium's co-founders over a one-year period. This amount is not included in the total consideration and is accounted for as compensation expense over the one-year service period.

The Company issued 305,864 shares of its common stock to the Denovium co-founders, of which 80% or 244,691 shares is subject to a Stock Restriction Agreement and vests monthly over a four-year term subject to a service condition. The fair value of these shares of \$1.5 million will be recognized as compensation cost over the four-year service period. The remaining 20%, or 61,173 shares, vested immediately and is included in the total consideration.

The following table summarizes the allocation of the purchase consideration to the fair value of the assets acquired and liabilities assumed (in thousands):

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Cash and cash equivalents	\$	158
Accounts receivable		59
Other current assets		1
Intangible assets		2,507
Goodwill		1,055
Total assets acquired		3,780
Accounts payable and accrued expenses		109
Deferred tax liability		633
Total liabilities assumed		742
Net assets acquired	\$	3,038

Goodwill arising from the acquisition of \$1.1 million was attributable to the assembled workforce and expected synergies between Absci's Integrated Drug Creation Platform and the Denovium Engine. The goodwill is not deductible for tax purposes. As of March 31, 2021, the Company had not yet fully completed the analysis to assign fair values to all assets acquired and liabilities assumed, and therefore the purchase price allocation is preliminary. The remaining items include the finalization of working capital adjustments, income taxes, and the resulting impact to goodwill. The preliminary purchase price allocation will be subject to further refinement as the Company continues to refine its estimates and assumptions based on information available at the acquisition date. These refinements may result in material changes to the estimated fair value of assets acquired and liabilities assumed. The purchase price allocation adjustments can be made throughout the end of the Company's measurement period, which is not to exceed one year from the acquisition date.

The following table reflects the estimated fair values of the identified intangible assets of Denovium and their respective weighted-average estimated amortization periods.

	Estimated Fair Value (in thousands)	Estimated Amortization Period (years)
Denovium Engine	\$ 2,507	5
	\$ 2,507	

#### 4. Property and equipment, net

Property and equipment as of December 31, 2020 and March 31, 2021 consists of the following (in thousands):

	December 31, 2020	March 31, 2021
Construction in progress	\$ —	\$ 2,283
Lab Equipment	8,578	11,483
Software	188	221
Furniture, Fixtures and Other	472	686
Leasehold Improvements	2,016	9,674
Total Cost	11,254	24,347
Less accumulated depreciation and amortization	(2,345)	(2,724)
Property and Equipment, net	\$ 8,909	\$ 21,623

Depreciation expense was \$0.5 million and \$1.1 million for the year ended December 31, 2019 and 2020, respectively. Depreciation expense was \$0.4 million for the three months ended March 31, 2021.

#### **5. Long-term debt and other borrowings**

In June 2018, the Company signed a Loan and Security Agreement (LSA) with Bridge Bank (Bank), a division of Western Alliance Bank. The purpose of the LSA was to provide long-term financing to the Company through term loans available for borrowing in three tranches up to a maximum of \$3.0 million through December 2019 upon the attainment of certain milestones as delineated in the LSA. The first tranche of \$0.3 million was borrowed in June 2018. The Company was obligated to make interest-only payments until the amortization date of June 28, 2019 and after that date to make principal and interest payments. Interest on outstanding borrowings under the LSA is charged at a rate of 6% per annum. This loan matures in May 2022, at which time all outstanding principal and accrued and unpaid interest is due and payable. This loan is secured by substantially all tangible assets of the Company; intellectual property is excluded from the secured collateral, but is subject to a negative pledge in favor of the Bank.

In March 2019, the Company entered into a First Amendment to the LSA that increased total borrowings to \$3.0 million and to add a financial liquidity covenant. The amendment was accounted for as a debt modification and no gain or loss was recognized in the Company's financial statements.

In May 2020, the Company entered into a Second Amendment to the LSA that increased total borrowings to \$5.0 million. The amortization date was extended to May 1, 2021 except, if a certain revenue and new contract bookings milestone is achieved, the amortization date is extended to November 1, 2021. The maturity date of the loan was extended to May 11, 2024. The amendment was accounted for as a debt modification and no gain or loss was recognized in the Company's financial statements.

In August 2020, the Company entered into a Third Amendment to the LSA that waived an event of default due to failure to meet a financial covenant. The Amendment also expanded the definition of permitted indebtedness to include Payroll Protection Plan (PPP) loans, and modified financial and restrictive covenants.

In February 2021, the Company entered into a Fourth Amendment to the LSA. This amendment gave effect to the Company's conversion to a corporation and its purchase of Denovium, including permitting certain cash and equity consideration linked to continued employment and service requirements, and adding Denovium as co-borrower to the LSA.

The Company may prepay all, but not less than all, of the term loans at any time upon 10 days written notice, with a prepayment premium beginning at 1.0% initially and declining to 0% after May 11, 2022. The Company is also required to pay a final payment equal to 3% of the principal amount funded, which is payable upon the earliest to occur of (i) the maturity date, (ii) acceleration and (iii) the prepayment of the loan. As part of the Second Amendment, the Company paid a one-time amendment fee and a pro-rated final payment in connection with the amendment. The final payment represents an additional principal payment and is accounted for as a debt discount that will be accreted through the maturity date of the loan based on the effective interest method.

In connection with entering into the LSA Agreement in June 2018, the Company entered into an agreement whereby the Company is required to pay a fee of 3.5% of the aggregate amount of term loans funded by Bridge Bank under the LSA within three business days of a sale or other disposition of substantially all of the Company's assets, a merger or consolidation, a change in control or an initial public offering (Liquidity Event). Concurrent with the Second Amendment, the Company and Bridge Bank entered into an amended agreement which extended the term of the fee to May 11, 2030.

Under the LSA (as amended) the Company is subject to a financial covenant. The covenant, as amended, requires that the Company maintain at all times either (a) unrestricted cash and cash equivalents in an amount equal to or greater than the Company's monthly cash burn or (b) trailing 6-month revenue of at least 80% of the Company's revenue projections (over the same 6-month period) determined using the lender's measurement method. As of March 31, 2021, the Company was in compliance with this financial covenant.

As of March 31, 2021, the outstanding principal balance under the LSA was \$5.0 million.

The carrying amount of the long-term debt approximates fair value.

In May 2020, the Company received a PPP loan pursuant to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) in the amount of \$0.6 million. The loan had a two-year term and bore a fixed interest rate of 1%. Under the terms of the CARES Act, the loan was eligible to be forgiven, in part or whole, if the proceeds were used to retain and pay employees and for other qualifying expenditures. In February 2021, the Company received notification from the Small Business Administration that they approved the forgiveness of the full \$0.6 million PPP loan and a gain on extinguishment in this amount was recorded as Other income in the Condensed Consolidated Statement of Operations.

In March 2021, the Company entered into a Note Purchase Agreement (the "2021 Notes") to issue and sell \$125.0 million convertible promissory notes with investors. The 2021 Notes bear interest at 6% per annum and have a maturity date in September 2023, or earlier upon certain events of default. The Company cannot prepay the 2021 Notes without the consent of the holders of a majority in interest of the outstanding Notes (the "Majority Noteholders"). The 2021 Notes shall automatically convert, upon the first of the following transactions to occur, into: (i) shares of the Company's common stock upon a qualified initial public offering ("IPO") or a qualified merger with a Special Purpose Acquisition Company ("SPAC"); or (ii) shares of the Company's preferred stock in the event of a qualified equity financing in which the Company raises gross proceeds of \$30 million or more through sale of preferred stock. The 2021 Notes are also convertible into shares of the Company's capital stock issued in a non-qualifying financing transaction upon the election of the Noteholders. The 2021 Notes are convertible at a conversion price equal to the lower of (i) a per share price equal to 82% of the per share price paid by the new investors in such qualified financing, IPO or SPAC transaction or (ii) the price per share calculated on the basis of a pre-money valuation of the Company of \$1.5 billion divided by the aggregate number of shares of Common Stock of the Company deemed outstanding on an as-converted, fully diluted basis including a) all shares reserved under the Company's stock option plan and b) 50% of additional shares reserved in connection with any expansion of the option pool as a result of the transaction, as of immediately prior to such qualified financing, public offering, or conversion event ("Cap Price"). In the event of a non-qualified financing, the 2021 Notes are convertible at the Cap Price. In the event of a Deemed Liquidation Event, the outstanding balance shall either (a) be repaid in cash in an amount equal to the sum of the outstanding balance plus 50% of the original principal amount of the Note or (b) be converted into that number of shares of a new series of Preferred stock of the Company at the Cap Price. On or after the Maturity Date, at the option of the Noteholder, the outstanding balance shall either (a) be repaid in cash in an amount equal to the outstanding balance or (b) be converted into that number of shares of a New Preferred Stock of the Company at the Cap Price.

Due to certain embedded features within the 2021 Notes, the Company elected to account for these notes, including all of their embedded features, under the fair value option. The Company has elected to recognize interest expense based on the 6% per annum coupon rate of the Notes.

## **6. Leases**

The Company leases its current office and laboratory facilities under multiple operating lease agreements that are scheduled to expire in August 2024. In February 2019, the Company signed

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another lease agreement for additional office space in its current building. This agreement commenced in September 2019 and is also scheduled to expire in August 2024.

In December 2020, the Company entered into a lease agreement for a new 61,607 square foot facility in Vancouver, Washington. The lease term commenced in December 2020 and ends in April 2026, with the Company's option to renew through April 2031. The lease agreement provides for annual base rent of approximately \$1.2 million in the first year of the lease term which increases on an annual basis to approximately \$1.5 million in the final year of the initial lease term. The Company entered into an agreement with a construction company for purposes of building out the facility and customizations for a total estimated cost of approximately \$14.6 million. As part of the lease agreement, the lessor provided tenant incentives in the amount of \$2.5 million.

In March 2021, the Company entered into an amendment to its lease agreement with respect to its new facility currently under construction. The amendment makes certain changes to the original lease, including (i) the addition of 16,367 square feet of office and laboratory space at the same site (Expansion Premises) and (ii) an extension of the expiration date of the original lease by 24 months following the rent commencement date of April 1, 2021. The amendment provides for annual base rent for the Expansion Premises of approximately \$0.3 million in the first year of the lease term, which increases on an annual basis to approximately \$0.4 million in the final year of the lease term. The amendment also provides for additional tenant incentives in the amount of \$0.7 million. Additionally, with the execution of this amendment, the Company obtained a one-time option to terminate the lease for the Original premise and Expansion premise after five years. All other terms of the lease amendment for the Expansion Premises are consistent with the existing new facility lease agreement. Under the amendment, the Company retains its original option to renew the lease for an additional five-year term, at then-current market rates.

For each of the Company's facility lease agreements, the Company is responsible for taxes, insurance and maintenance costs.

The Company leases certain laboratory equipment under finance leases. Property and equipment includes approximately \$6.5 million and \$4.3 million of assets under finance leases as of March 31, 2021 and December 31, 2020, respectively. Accumulated depreciation related to assets under finance leases was approximately \$1.1 million and \$0.9 million as of March 31, 2021 and December 31, 2020, respectively.

Future undiscounted lease payments for the Company's lease liabilities as of March 31, 2021 are as follows (in thousands):

	Operating leases	Finance leases
2021 (nine months remaining)	\$ 1,444	\$ 1,478
2022	2,159	1,888
2023	2,226	1,222
2024	2,135	499
2025	1,873	86
Thereafter	4,751	—
<b>Total future lease payments</b>	<b>14,588</b>	<b>5,173</b>
Less: Imputed interest	(3,471)	(567)
Less: Lease incentive	(804)	—
<b>Present value of lease liabilities</b>	<b>\$ 10,313</b>	<b>\$ 4,606</b>



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Additional information related to the Company's leases as of December 31, 2020 and March 31, 2021 are as follows:

	December 31, 2020	March 31, 2021
<b>Weighted average remaining lease term (in years)</b>		
Operating leases	4.9	6.8
Finance leases	3.0	2.8
<b>Weighted average discount rate</b>		
Operating leases	8 %	8 %
Finance leases	7 %	7 %

**7. Commitments and contingencies**

As of March 31, 2021, future lease payments are secured by irrevocable standby letters of credit totaling \$1.8 million. The irrevocable standby letters of credit are expected to be pledged for the full lease terms which extend through 2024 and 2028 for each of the Company's facility leases.

In the ordinary course of business, the Company is a party to claims and legal proceedings. The Company records a provision for contingent losses when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Based on currently available information, management does not believe that the ultimate outcome of these unresolved matters is probable or estimable and not likely, individually and in the aggregate, to have a material adverse effect on our financial position, results of operations or cash flows. However, litigation is subject to inherent uncertainties and management's view of these matters may change in the future. Were an unfavorable outcome to occur, there exists the possibility of a material adverse impact on the Company's financial position, results of operations or cash flows for the period in which the unfavorable outcome occurs, and potentially in future periods.

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**8. Redeemable convertible preferred stock**

*Redeemable Convertible Preferred Stock*

The following table summarizes the authorized, issued, and outstanding redeemable convertible preferred stock of the Company as of March 31, 2021 (in thousands, except share and per share data):

	March 31, 2021					
	Shares Authorized	Shares Issued and Outstanding	Issuance Price per Share	Net Proceeds	Liquidation preference	
<b>Convertible Preferred Stock:</b>						
Junior	1,573,547	1,573,547	\$ 1.00	\$ 1,462	\$ 1,990	
Class A-1	2,793,007	2,700,000	1.00	2,700	3,455	
Class A-2	1,500,000	1,500,000	1.00	1,500	1,886	
Class B	1,372,549	1,372,549	1.53	2,065	2,557	
Class C	1,760,252	1,760,252	6.95	11,979	14,287	
Class D	1,532,176	1,532,176	9.79	14,966	16,074	
Class E	3,568,405	3,568,405	19.62	69,653	176,774	
<b>Total convertible preferred stocks</b>	<b>14,099,936</b>	<b>14,006,929</b>	<b>\$</b>	<b>104,325</b>	<b>\$</b>	<b>217,023</b>

The following table summarizes the authorized, issued, and outstanding redeemable convertible preferred stock of the Company as of December 31, 2020 (in thousands, except share and per share data):

	December 31, 2020					
	Shares Authorized	Shares Issued and Outstanding	Issuance Price per Share	Net Proceeds	Liquidation preference	
<b>Convertible Preferred Stock:</b>						
Junior	1,573,547	1,573,547	\$ 1.00	\$ 1,462	\$ 1,989	
Class A-1	2,793,007	2,700,000	1.00	2,700	3,453	
Class A-2	1,500,000	1,500,000	1.00	1,500	1,885	
Class B	1,372,549	1,372,549	1.53	2,065	2,526	
Class C	1,760,252	1,760,252	6.95	11,979	13,876	
Class D	1,532,176	1,532,176	9.79	14,951	15,852	
Class E	3,313,519	3,313,519	19.62	64,709	163,280	
<b>Total convertible preferred stock</b>	<b>13,845,050</b>	<b>13,752,043</b>	<b>\$</b>	<b>99,366</b>	<b>\$</b>	<b>202,861</b>

The Company issued 254,886 shares of Class E redeemable preferred stock in February 2021 at an issuance price of \$19.62 per share.

The Company recorded its redeemable convertible preferred stock at the issuance price on the dates of issuance, net of issuance costs. Mandatory conversion of preferred stock to common stock is triggered by either (a) a closing of a public offering with net proceeds of at least \$50 million at a price of at least \$19.62 per share (Qualified Public Offering) or (b) the vote or written consent of the holders of a preferred majority electing conversion of all preferred stock and junior preferred stock. The preferred stock is redeemable at the greater of a) the unpaid liquidation preference or b) fair

value, both determined as of the date of redemption request, contingent upon certain deemed liquidation events outside the control of the Company, none of which are considered probable of occurring as of March 31, 2021. As such, the Company classifies the redeemable convertible preferred stock as temporary equity in the Condensed Consolidated Balance Sheets.

In the event of any liquidation event, either voluntary or involuntary, holders of Class E Preferred Stock are entitled to receive out of proceeds or assets of the Company, prior and in preference to the distribution of proceeds to holders of Class D Preferred Stock, Class C Preferred Stock, Class B Preferred Stock, Class A Preferred Stock, Junior Preferred Stock, or Common Stock. Holders of Class D Preferred Stock, Class C Preferred Stock, Class B Preferred Stock and Class A Preferred Stock are entitled to receive proceeds prior and in preference to distribution of proceeds to Junior Preferred Stock. The amount of distributions preferred stockholders are entitled to is equal to the original issue price for each series of issuance, plus declared but unpaid dividends on each such share. The holders of Junior, Class A-1, Class A-2, Class B, Class C, and Class D Preferred Stock shall receive \$1.00, \$1.00, \$1.00, \$1.53, \$6.95, and \$9.79 per share, respectively, plus declared but unpaid dividends on such shares. Class E Preferred Stock has, at the option of the holder, an alternative liquidation preference equal to 1.5 times the original issuance price of \$19.62 for any redemption within 12 months of the original issuance date of October 2020. After this 12-month period, the Class E liquidation preference is equal to \$19.62 plus accrued but unpaid dividends on such shares. Upon completion of the distribution to the preferred stockholders, the remaining proceeds of the Company shall be distributed among the holders of Common Stock pro rata based on the number of shares held by each. Preferred stockholders have preemptive voting rights for significant capital transactions including liquidation, merger or sale of the Company, amendments to the operating agreement, issuance of additional equity interests, issuance of debt instruments, and pledging of Company assets. The preferred stock accrues dividends at a rate of 6% per annum, cumulative. The Company has not declared or paid dividends to the holders.

Each share of redeemable convertible preferred stock has a number of votes equal to the number of shares of common stock into which it is convertible. The holders of record of the Series A and Series B redeemable convertible preferred stock vote together on an as-converted basis exclusively and as a separate class and are entitled to elect two directors of the Company. The holders of record of the Series C redeemable convertible preferred stock vote exclusively and as a separate class and is entitled to elect one director of the Company. The holders of record of the Series E redeemable convertible preferred stock vote exclusively and as a separate class and is entitled to elect one director of the Company.

#### *Preferred stock warrants*

As part of the Class A-1 funding in 2016, a warrant for the purchase of 93,007 Class A-1 Preferred Units at an exercise price of \$1 per unit and exercisable at any time before April 2026 was granted to an investor. This warrant was exchanged for a warrant to purchase Class A-1 preferred stock at equivalent terms in October 2020. Because the underlying shares are redeemable for conditions outside of the Company's control, the warrant is classified within other long-term liabilities on the condensed consolidated balance sheets and recognized at fair value at each reporting period with the change in fair value recorded in other expense on the condensed consolidated statement of operations and comprehensive loss. The balance is included in Other long-term liabilities on the condensed consolidated balance sheet.

#### **9. Stock-Based compensation**

Prior to the LLC Conversion, the Company granted incentive units and phantom units under its 2015 Equity-Based Incentive Plan ("2015 Plan") to employees and non-employee service providers. In October 2020, in conjunction with the LLC Conversion, the Company adopted the 2020 Stock Option and Grant Plan ("2020 Plan") under which it granted stock options, restricted shares, and stock appreciation rights (SARs) as replacements awards for outstanding awards under the 2015 Plan and as new awards to incentivize employee service.

**Restricted Stock**

Upon the LLC Conversion, the outstanding 1,008,055 incentive units were exchanged for 808,909 restricted shares granted under the 2020 Plan based on a ratio determined by their threshold amount and the fair value of the restricted stock. The exchange was accounted for as a probable-to-probable modification (Type I modification), and the fair value of the restricted shares did not exceed the fair value of the incentive units on the date of exchange. Accordingly, the restricted shares are measured at the grant date fair value of the incentive units. Shares of restricted stock that do not vest are subject to our right of repurchase or forfeiture.

Activity for the restricted shares is shown below:

	Number of shares
Unvested as of December 31, 2020	336,545
Granted	457,649
Vested	(17,046)
Unvested as of March 31, 2021	777,148

As of March 31, 2021, there was \$4.8 million of unrecognized compensation expense related to the restricted shares expected to be recognized over a remaining weighted-average period of 3.8 years.

**Phantom Units**

Phantom units generally vested at 25% after one-year with the remainder vesting quarterly over the following three-year period. Upon the occurrence of a liquidity event, 100% of phantom units would vest. A liquidity event for purposes of the phantom units meant either of the following events: (i) a person or persons acting as a group (other than a person or group that currently owns more than 50% of the voting power of the Company) acquires ownership of Common Units that, together with the Common Units held by such person or group, constitutes more than 50% of the voting power of all Common Units of the Company or (ii) a person or persons acting as a group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value of more than 60% of the total gross fair market value of all of the assets of the Company immediately before such acquisition or acquisitions. Upon a liquidity event, the phantom unit holders were entitled to a payment equal to the fair value of common units less a strike price. The payment was to be made in the same form of consideration as received by other unit holders as a result of the liquidity event. Other than this payment upon a liquidity event, Phantom units provided no economic value and they provided no voting rights. Due to the presence of an exercise condition that was contingent upon a liquidity event, the Company determined that it was not probable that the phantom units would become exercisable and no compensation expense has been recognized.

Activity for the phantom units is shown below:

	Number of Units	Weighted Average Strike Price
Unvested as of December 31, 2020	364,032	\$ 1.55
Granted	—	—
Vested	—	—
Exchange of Phantom Units for Cash Payment Rights, SARs, and/or Stock Options	(364,032)	\$ 1.55
Unvested as of March 31, 2021	—	\$ —

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Following the LLC Conversion, the holders of phantom units were offered to exchange their awards for a combination of cash payment rights, SARs and/or stock options granted under the 2020 Plan. The exchange was accounted for as short-term inducement, with no accounting recognition prior to offer expiration in January 2021 as the exchange offer participants were able to modify their election through the expiration date. In January 2021, all participants accepted the offer. The exercisability of the SARs is contingent upon a liquidity event that is not probable of occurrence; accordingly, no compensation expense has been recognized for these awards. The stock options vest based on a service condition, generally over a 4-year term beginning with the vesting commencement date of the exchanged phantom units.

The aggregate intrinsic value of 121,303 SARs outstanding as of March 31, 2021 is \$1.5 million based on the estimated fair value of common stock of \$12.31.

**Stock Options**

Stock options generally vest 25% after one-year from the date of the grant with the remainder vesting monthly over the following three-year period. Certain options have alternative vesting schedules including ratably over 2-4 years and immediate vesting. The Company recognizes forfeitures as they occur, and uses the straight-line expense recognition method. Activity for stock options is shown below:

	Number of Options	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands \$)
Outstanding at December 31, 2020	516,587	\$ 3.63	9.8	\$ 780
Granted	1,191,179	3.63		—
Canceled/ Forfeited	(82,711)	3.63		—
Outstanding at March 31, 2021	1,625,055	3.63	9.3	14,105
Exercisable at March 31, 2021	241,298	\$ 3.63	9.7	\$ 2,094
Vested and expected to vest as of March 31, 2021	1,625,055		9.3	\$ 14,105

The weighted-average grant date fair value of stock options granted during the first quarter of 2021 was \$5.90. The fair value of options vested during the three months ended March 31, 2021 was \$1.2 million. As of March 31, 2021, total unrecognized stock-based compensation related to unvested stock options was \$6.7 million, which the Company expects to recognize over a remaining weighted average period of 3.8 years. The aggregate intrinsic value was calculated based on the estimated fair value of common stock of \$12.31 per share.

**Determination of Fair Value**

The estimated grant-date fair value of all the Company's stock options was calculated using the Black-Scholes option pricing model, based on the following assumptions:

	March 31, 2021
Expected term (in years)	3.52-6.08
Volatility	45%-47%
Risk-free interest rate	0.3%-1.3%
Dividend Yield	—%

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The fair value of each stock option was determined by the Company using the methods and assumptions discussed below. Each of these inputs is subjective and generally requires significant judgment and estimation by management.

**Expected Term**—The expected term represents the period that stock-based awards are expected to be outstanding. The Company's stock options do not have a contractual term. However, there is a constructive maturity of each stock option based on the expected exit or liquidity scenarios for the Company. The Company's historical option exercise data is limited and did not provide a reasonable basis upon which to estimate an expected term. The expected term for options was derived by using the simplified method which uses the midpoint between the average vesting term and the contractual expiration period of the stock-based award.

**Expected Volatility**—The expected volatility was derived from the historical stock volatilities of comparable peer public companies within the Company's industry. These companies are considered to be comparable to the Company's business over a period equivalent to the expected term of the stock-based awards.

**Risk-Free Interest Rate**—The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the date of grant for zero-coupon U.S. Treasury notes with maturities approximately equal to the stock options' expected term.

**Expected Dividend Rate**—The expected dividend is zero as the Company has not paid nor does it anticipate paying any dividends on its common stock underlying its stock options in the foreseeable future.

The Company estimated the fair value of its common stock underlying the stock-based awards when performing fair value calculations using the Black-Scholes option pricing model. Because the Company's common stock is not currently publicly traded, the fair value of its common stock underlying the stock-based awards has been determined on each grant date by management and approved by the Company's board of directors, considering the most recently available third-party valuation of common shares. All options to purchase shares of the Company's common stock are intended to be granted with an exercise price per share no less than the fair value per share of the common stock underlying those options on the date of grant, based on the information known to the Company on the date of grant. In connection with the preparation of the Company's condensed consolidated financial statements for the three months ended March 31, 2021, the Company reassessed its estimate of fair value of common stock for financial reporting purposes. Following this reassessment, it was determined that for financial reporting purposes the fair value of its common stock was higher than the fair value determined by the board of directors at the time of grant throughout the three months ended March 31, 2021.

The Company's determination of the value of its common stock was performed using methodologies, approaches and assumptions consistent with the American Institute of Certified Public Accountants (AICPA), Audit and Accounting Practice Aid Series: Valuation of Privately Held Company Equity Securities Issued as Compensation (AICPA Practice Aid). In addition, the Company's board of directors considered various objective and subjective factors to determine the fair value of the common stock, including:

- valuations of the Company's common stock performed by third-party valuation specialists;
- the anticipated capital structure that will directly impact the value of the currently outstanding securities;
- the Company's results of operations and financial position;
- the composition of, and changes to, the management team and board of directors;
- the lack of liquidity of the Company's common stock as a private company;

- the Company's stage of development and business strategy and the material risks related to its business and industry;
- external market conditions affecting the life sciences and biotechnology industry sectors;
- U.S. and global economic conditions;
- the likelihood of achieving a liquidity event for the holders of the Company's common stock, such as an IPO or a sale of the company, given prevailing market conditions; and
- the market value and volatility of comparable companies.

The AICPA Practice Aid prescribes several valuation approaches for setting the value of an enterprise, such as the cost, income and market approaches, and various methodologies for allocating the value of an enterprise to its common stock. The cost approach establishes the value of an enterprise based on the cost of reproducing or replacing the property less depreciation and functional or economic obsolescence, if present. The income approach establishes the value of an enterprise based on the present value of future cash flows that are reasonably reflective of our future operations, discounting to the present value with an appropriate risk adjusted discount rate or capitalization rate. The market approach is based on the assumption that the value of an asset is equal to the value of a substitute asset with the same characteristics.

In accordance with the AICPA Practice Aid, the Company considered the various methods for allocating the enterprise value to determine the fair value of its common stock at the valuation date. Under the option pricing method (OPM), shares are valued by creating a series of call options with exercise prices based on the liquidation preferences and conversion terms of each equity class. The value of the common stock is inferred by analyzing these options. The probability weighted expected return method (PWERM) is a scenario-based analysis that estimates the value per share based on the probability-weighted present value of expected future investment returns, considering each of the possible outcomes available to us, as well as the economic and control rights of each share class.

Starting in 2020, the Company used a hybrid method to determine the estimated fair value of its common stock, which included both the OPM and PWERM models.

As of March 31, 2021, the Company had reserved 3,246,905 shares of common stock for issuance under the 2020 Plan, of which 545,639 were available for issuance.

#### **10. Fair Value Measurements**

GAAP 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 nonrecurring 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

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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.

When quoted market prices are available in active markets, the fair value of assets and liabilities is estimated within Level 1 of the valuation hierarchy.

If quoted prices are not available, then fair values are estimated by using pricing models, quoted prices of assets and liabilities with similar characteristics, or discounted cash flows, within Level 2 of the valuation hierarchy. In cases where Level 1 or Level 2 inputs are not available, the fair values are estimated by using inputs within Level 3 of the hierarchy.

As part of the Class A-1 funding in 2016, a warrant for the purchase of 93,007 Class A-1 Preferred Units at an exercise price of \$1 per unit and exercisable at any time before April 2026 was granted to an investor. This warrant was exchanged for a warrant to purchase Class A-1 preferred stock at equivalent terms in October 2020 (Note 8). Because the underlying shares are redeemable for conditions outside of the Company's control, the warrant is classified within other long-term liabilities on the consolidated balance sheets and recognized at fair value at each reporting period with the change in fair value recorded in other expense on the consolidated statement of operations and comprehensive loss. The balance is included in Other long-term liabilities on the consolidated balance sheet. The value for the warrant is based on significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy.

During 2018, the Company entered into an agreement whereby the Company is required to pay a fee of 3.5% of the aggregate amount of term loans funded by Bridge Bank under the LSA within three business days of a sale or other disposition of substantially all of the Company's assets, a merger or consolidation, a change in control or an initial public offering (Liquidity Event) (Note 5). This agreement has been accounted for as a freestanding derivative under ASC 815, *Derivatives* and is remeasured to its fair value at the end of each reporting period. The value for the fee ("Fee in lieu of warrant") is based on significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy. Except for short-term investments, the 2021



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Notes and the warrant, none of the Company's assets or liabilities are recorded at fair value on a recurring basis.

The following table summarizes the Company's assets and liabilities measured at fair value on a recurring basis as of March 31, 2021 (in thousands):

	March 31, 2021			
	Level 1	Level 2	Level 3	Total
<b>Liabilities:</b>				
Fee in-lieu of warrant	\$ —	\$ —	\$ 55	\$ 55
Convertible promissory notes	—	—	125,000	125,000
Preferred stock warrant liability	—	—	1,173	1,173
<b>Total liabilities</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 126,228</b>	<b>\$ 126,228</b>

The following table provides reconciliation for all liabilities measured at fair value using significant unobservable inputs (Level 3) for the three-months ended March 31, 2021 (in thousands):

Balance at December 31, 2020	\$ 720
Change in fair value of fee in lieu of warrant during three months of 2021 (unaudited)	33
Change in fair value of preferred stock warrant during three months of 2021 (unaudited)	475
Fair value of 2021 Notes at issuance (unaudited)	125,000
<b>Balance at March 31, 2021 (unaudited)</b>	<b>\$ 126,228</b>

Below are the assumptions used for the Black-Scholes option pricing valuation model for the fair value of the preferred stock warrant liability as of March 31, 2021:

	March 31, 2021
Risk-free interest rate	0.16 %
Expected dividend yield	— %
Expected term (years)	2
Volatility	85.00 %

The expected volatility is based on historical volatilities from guideline companies, since there is no active market for the Company's common stock. The Company based the expected term assumption on the actual remaining contractual term of the warrant as of the date of measurement. The Company has not paid, and does not expect to pay, any cash dividends in the foreseeable future. The risk-free interest rate used is the rate for a U.S. Treasury zero coupon issue with a term consistent with the remaining contractual term of the warrant on the date of measurement.

The fee-in-lieu of warrant liability is measured based on Management's estimate of the probability of a Liquidity Event, the estimated timing thereof, and a discount rate.

The Company measured the fair value of the 2021 Notes at issuance using the transaction price and there were no changes in the probabilities of an initial public offering or other underlying inputs between issuance and March 31, 2021. Accordingly, changes in fair value were insignificant for the

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three-months ended March 31, 2021. As of March 31, 2021, the fair value of the 2021 Notes was \$125.0 million.

There are significant judgments, assumptions and estimates inherent in the determination of the fair value of each of the instruments described above. These include determination of a valuation method and selection of the possible outcomes available to the Company, including the determination of timing and expected future investment returns for such scenarios. The Company considered the equity value of an initial public offering using market transactions and have determined the expected value of a stay private scenario using the income approach, which is based on assumptions regarding the Company's future operating performance. The related judgments, assumptions and estimates are highly interrelated and changes in any one assumption could necessitate changes in another. In particular, any changes in the probability of a particular outcome would require a related change to the probability of another outcome. In addition, the fair value of the 2021 Notes is derived using assumptions that are consistent with the assumptions used to value the Company's common stock, the Fee in-lieu of Warrant and the Warrant. In the future, depending on the valuation approaches used and the expected timing and weighting of each, the inputs described above, or other inputs, may have a greater or lesser impact on the Company's estimates of fair value.

**11. Related party transactions**

The Company entered into a joint development agreement with AGC, Inc., the parent company of the employer of one of the Company's directors. No revenue was recognized under the agreement for the three months ended March 31, 2021 and March 31, 2020. The Company has the opportunity to earn additional revenues under the agreement in future years if pre-determined milestones are achieved. There were no amounts due or payable as of March 31, 2021. The director referenced resigned from the Company's Board of Directors in April 2021.

**12. Net loss per share attributable to common stockholders and unitholders**

The following table sets forth the computation of the Company's basic and diluted net loss per share attributable to common unitholders and stockholders (in thousands, except share and per share amounts):

	2020	March 31, 2021
<b>Numerator:</b>		
Net loss	\$ (2,658)	\$ (10,962)
Adjustment of redeemable convertible preferred stock and units	(11,154)	—
Cumulative undeclared preferred stock dividends	—	(995)
Net loss available to common stockholder and unitholders	<u>\$ (13,812)</u>	<u>\$ (11,957)</u>
<b>Denominator:</b>		
Weighted-average common shares and units outstanding	4,606,505	5,140,648
Net loss per share, basic and diluted	<u>\$ (3.00)</u>	<u>\$ (2.33)</u>

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Potentially dilutive securities not included in the calculation of diluted net loss per share because to do so would be anti-dilutive are as follows (in common stock equivalent shares):

	2020	March 31, 2021
Redeemable convertible preferred stock and units outstanding	10,066,718	13,865,326
Redeemable convertible preferred stock and unit warrants	93,007	93,007
Unvested incentive units	153,139	—
Stock options	—	1,383,757
Unvested restricted stock	—	777,148

Refer to Note 13: *Subsequent Events* for descriptions of transactions occurring subsequent to March 31, 2021 that could impact the number of common shares outstanding had the transaction occurred prior to March 31, 2021.

**13. Subsequent events**

Management has evaluated, for potential recognition or disclosure in the financial statements, subsequent events that have occurred through June [11], 2021, which is the date that the financial statements were available to be issued.

***Totient acquisition***

On June 4, 2021, the Company entered into a merger agreement with Totient, Inc., under which, at the effective time, a wholly owned entity, or Merger Sub, merged with Totient, with Merger Sub surviving as a wholly owned subsidiary of Absci.

Pursuant to the merger agreement, at closing, Totient shareholders will receive \$55.0 million in cash, of which \$40.0 million in cash was paid at closing, subject to customary purchase price adjustments and escrow restrictions, and \$15.0 million in cash shall be paid upon the achievement of expected milestones, and 669,743 shares of Absci Common Stock. All common stock issued is unrestricted, except for those shares granted to certain members of management, of which 25% of the shares issued will vest upon the closing of the Transaction and the remaining 75% will vest over 2.5 years in installments each six months.

***Stock options***

Subsequent to March 31, 2021 the Company granted 514,786 stock options, with a weighted average exercise price of \$13.99.

## Report of Independent Auditors

The Board of Directors  
Totient, Inc.

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Totient, Inc. (and its subsidiaries), which comprise the consolidated balance sheets as of December 31, 2019 and 2020, and the related consolidated statements of operations and comprehensive loss, changes in stockholders' deficit, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Totient, Inc. (and its subsidiaries) as of December 31, 2019 and 2020, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

/s/ Moss Adams LLP

Seattle, Washington  
June 14, 2021

**TOTIENT, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands U.S. dollars, except share amounts)

	December 31,		March 31,
	2019	2020	2021 (unaudited)
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,445	\$ 2,448	\$ 1,650
Prepaid expenses and other current assets	34	59	54
Total current assets	1,479	2,507	1,704
Operating lease right-of-use assets	750	476	392
Property and equipment and other assets, net	88	120	139
<b>TOTAL ASSETS</b>	<b>\$ 2,317</b>	<b>\$ 3,103</b>	<b>\$ 2,235</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
Current liabilities:			
Accounts payable, accrued expenses and other	\$ 605	\$ 716	\$ 381
Current portion of operating lease obligations	316	257	222
Current portion of long-term debt	—	14,152	34,767
Total current liabilities	921	15,125	35,370
Long-term debt - net	9,196	611	425
SAR liability	260	367	1,820
Operating lease obligations – net of current portion	471	247	196
Other long-term liabilities	—	24	23
<b>TOTAL LIABILITIES</b>	<b>10,848</b>	<b>16,374</b>	<b>37,834</b>
Commitments and contingencies (Note 6)			
<b>STOCKHOLDERS' DEFICIT</b>			
Common stock: Par value \$0.00001, 12,903,226 shares authorized as of December 31, 2019 and 2020; 10,000,000 shares issued and outstanding at December 31, 2019 and 2020.	—	—	—
Additional paid in capital	3,848	4,106	4,257
Accumulated deficit	(12,379)	(17,390)	(39,856)
Accumulated other comprehensive income	—	13	—
<b>TOTAL STOCKHOLDERS' DEFICIT</b>	<b>(8,531)</b>	<b>(13,271)</b>	<b>(35,599)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	<b>\$ 2,317</b>	<b>\$ 3,103</b>	<b>\$ 2,235</b>

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

**TOTIENT, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(In thousands U.S. dollars)

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020 (unaudited)	2021 (unaudited)
Operating expenses:				
Research and development	\$ 4,135	\$ 2,430	\$ 628	\$ 2,190
General and administrative	1,408	1,248	330	549
Depreciation	11	22	4	7
Total operating expenses	5,554	3,700	962	2,746
Operating loss	(5,554)	(3,700)	(962)	(2,746)
Non-operating (expense) income				
Other income	146	265	61	56
Interest and other expense, net	(214)	(183)	(48)	(48)
Change in fair value of convertible notes	(299)	(1,369)	(309)	(19,892)
Gain on debt extinguishment	—	—	—	188
Loss before income tax	(5,921) (5,921)	(4,987)	(1,258)	(22,442)
Income tax expense	(16)	(24)	(24)	(24)
Net loss	(5,937)	(5,011)	(1,282)	(22,466)
Other comprehensive income/(loss)				
Gain/(loss) on currency translation adjustments	(1)	13	(3)	(13)
Total comprehensive loss	\$ (5,938)	\$ (4,998)	\$ (1,285)	\$ (22,479)

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

**TOTIENT, INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES STOCKHOLDERS' DEFICIT**  
(In thousands U.S. dollars, except share amounts)

	For the Three Months Ended March 31, 2020					
	Common Stock		Additional Paid-In Capital Amount	Accumulated Deficit Amount	Accumulated Other Comprehensive Income (Loss) Amount	Total Stockholders' Deficit Amount
	Shares	Amount				
<b>Balances at December 31, 2019</b>	10,000,000	\$ —	\$ 3,848	\$ (12,379)	\$ —	\$ (8,531)
Stock-based compensation (unaudited)	—	—	74	—	—	74
Currency translation (unaudited)	—	—	—	—	(3)	(3)
Net loss (unaudited)	—	—	—	(1,282)	—	(1,282)
<b>Balances at March 31, 2020 (unaudited)</b>	<b>10,000,000</b>	<b>\$ —</b>	<b>\$ 3,922</b>	<b>\$ (13,661)</b>	<b>\$ (3)</b>	<b>\$ (9,742)</b>

	For the Three Months Ended March 31, 2021					
	Common Stock		Additional Paid-In Capital Amount	Accumulated Deficit Amount	Accumulated Other Comprehensive Income (Loss) Amount	Total Stockholders' Deficit Amount
	Shares	Amount				
<b>Balances at December 31, 2020</b>	10,000,000	\$ —	\$ 4,106	\$ (17,390)	\$ 13	\$ (13,271)
Stock-based compensation (unaudited)	—	—	150	—	—	150
Proceeds from exercise of stock options (unaudited)	1,000	—	1	—	—	1
Currency translation reserve (unaudited)	—	—	—	—	(13)	(13)
Net loss (unaudited)	—	—	—	(22,466)	—	(22,466)
<b>Balances at March 31, 2021 (unaudited)</b>	<b>10,001,000</b>	<b>\$ —</b>	<b>\$ 4,257</b>	<b>\$ (39,856)</b>	<b>\$ —</b>	<b>\$ (35,599)</b>

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

**TOTIENT, INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES STOCKHOLDERS' DEFICIT**  
(In thousands U.S. dollars, except share amounts)

	Common Stock		Additional Paid-In Capital Amount	Accumulated Deficit Amount	Accumulated Other Comprehensive Income (Loss) Amount	Total Stockholders' Deficit Amount
	Shares	Amount				
<b>Balances at December 31, 2018</b>	10,000,000	\$ —	\$ 2,993	\$ (6,442)	\$ 1	\$ (3,448)
Stock-based compensation	—	—	855	—	—	855
Currency translation reserve	—	—	—	—	(1)	(1)
Net loss	—	—	—	(5,937)	—	(5,937)
<b>Balances at December 31, 2019</b>	10,000,000	—	3,848	(12,379)	—	(8,531)
Stock-based compensation	—	—	258	—	—	258
Currency translation reserve	—	—	—	—	13	13
Net Loss	—	—	—	(5,011)	—	(5,011)
<b>Balances at December 31, 2020</b>	10,000,000	\$ —	\$ 4,106	\$ (17,390)	\$ 13	\$ (13,271)

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



**TOTIENT, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands U.S. dollars, except share amounts)

	For the Years Ended December 31,		Three Months Ended March 31,	
	2019	2020	2020 (unaudited)	2021 (unaudited)
<b>Cash flows from operating activities</b>				
Net loss	\$ (5,937)	\$ (5,011)	\$ (1,282)	\$ (22,466)
Adjustments to reconcile net loss to net cash used in operating activities:				
Stock-based compensation	1,114	366	102	1,602
Depreciation	11	23	4	7
Gain on forgiveness of PPP loan	—	—	—	(186)
Change in fair value of convertible notes	299	1,369	309	19,892
Changes in operating assets and liabilities:				
Prepaid expenses and other current assets	(18)	(25)	(7)	5
Operating lease right-of-use assets and liabilities	37	(9)	(1)	(1)
Other assets	(23)	21	—	—
Accounts payable, accrued expenses and other current liabilities	365	111	(109)	(336)
Net cash used in operating activities	(4,152)	(3,155)	(984)	(1,483)
<b>Cash flows from investing activities</b>				
Purchases of property and equipment	(14)	(76)	(61)	(29)
Net cash used in investing activities	(14)	(76)	(61)	(29)
<b>Cash flows from financing activities</b>				
Proceeds from issuance of convertible notes	6,600	4,010	—	724
Proceeds from exercise of stock options	—	—	—	1
Borrowings (payments) from PPP Loan	—	188	—	—
Payments on promissory note	(1,174)	—	—	—
Other long-term liabilities	—	24	—	—
Net cash provided by financing activities	5,426	4,222	—	725
Foreign currency effect on cash and cash equivalents	(1)	12	(2)	(11)
Net increase in cash, cash equivalents, and restricted cash	1,259	1,003	(1,047)	(798)
Cash, cash equivalents and restricted cash - beginning of year	186	1,445	1,445	2,448
Cash, cash equivalents, and restricted cash - end of year	\$ 1,445	\$ 2,448	\$ 398	\$ 1,650

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

TOTIENT, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2020 AND MARCH 31, 2021  
(INFORMATION AS OF MARCH 31, 2021 AND FOR THE THREE MONTHS  
ENDED MARCH 31, 2020 AND 2021 IS UNAUDITED)  
(In thousands U.S. dollars, except share amounts)

**1. Organization and nature of operations**

Totient, Inc. (the "Company" or "Totient") is an AI driven, biotechnology company leveraging tertiary lymphoid structures to identify novel tissue-specific antigens and develop matching high-affinity therapeutics. Totient reconstructs antibodies from tissues affected by autoimmunity, infections, and cancer collected from patients experiencing exceptional immune responses. The Company is headquartered in Cambridge, Massachusetts. Totient was acquired by AbSci Corporation on June 4, 2021; refer to Note 11 for further information regarding the acquisition.

**2. Summary of significant accounting policies**

***Basis of presentation***

The consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States (GAAP) as defined by the Financial Accounting Standards Board (FASB). The consolidated financial statements include the Company's wholly-owned subsidiaries and entities under its control. The Company has eliminated all intercompany transactions and accounts.

***Unaudited Interim Financial Information***

The accompanying interim consolidated balance sheet as of March 31, 2021, the consolidated statements of operations and comprehensive loss, consolidated statements of changes in stockholders' deficit, and cash flows for the three months ended March 31, 2021 and 2020 and the related footnote disclosures are unaudited. The unaudited interim consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and, in the opinion of management, include all adjustments, which include only normal recurring adjustments, necessary for the fair statement of these interim financial statements. The results for the three months ended March 31, 2021 are not necessarily indicative of the results expected for the full fiscal year or any other future annual or interim period.

***Use of estimates***

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Such estimates include, but are not limited to useful lives of property, plant and equipment, fair value of the Company's common stock, fair value of the Company's convertible promissory notes, fair value of stock-based compensation and income taxes. The Company bases its estimates on historical experiences, and other relevant factors that it believes to be reasonable under the circumstances. Actual results could differ from those estimates.

***Fair value of financial instruments***

Certain assets and liabilities are carried at fair value under GAAP and consist principally of cash equivalents, accounts payable, accrued liabilities, and convertible promissory notes. The carrying amounts of cash equivalents, accounts payable, and accrued liabilities approximate their related fair values due to the short-term nature of these instruments. None of the Company's non-financial assets or liabilities are recorded at fair value on a recurring basis.

As permitted under Accounting Standards Codification ("ASC") 825, *Financial Instruments*, ("ASC 825"), the Company has elected the fair value option to account for each of its outstanding convertible promissory notes. In accordance with ASC 825, the Company measures the convertible promissory notes at fair value on its consolidated balance sheets within Long-term debt – net and Current portion of long-term debt. Changes in fair value of the convertible promissory notes are

TOTIENT, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2020 AND MARCH 31, 2021  
(INFORMATION AS OF MARCH 31, 2021 AND FOR THE THREE MONTHS  
ENDED MARCH 31, 2020 AND 2021 IS UNAUDITED)  
(In thousands U.S. dollars, except share amounts)

recorded in the consolidated statements of operations and comprehensive loss within Interest and other expense, net. As a result of applying the fair value option, issuance costs related to the convertible promissory notes are expensed as incurred.

There are significant judgments and estimates inherent in the determination of the fair value of these liabilities. If the Company had made different assumptions including, among others, those related to the timing and probability of various corporate scenarios, discount rates, volatilities and exit valuations, the carrying values of the convertible notes could have been significantly different.

**Concentration risk**

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents. The Company maintains its cash and cash equivalents in bank accounts, which at times may exceed federally insured limits. The Company has not experienced any losses on these accounts.

**Property and equipment, net**

Property and equipment are stated at cost less accumulated depreciation. Additions and improvements to property and equipment are capitalized. The costs of maintenance and repairs are expensed as incurred. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the underlying assets, which vary from 3 to 7 years. Leasehold improvements are amortized over the shorter of the term of the lease or the estimated useful lives of the assets. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation or amortization are removed from their respective accounts, and the resulting gain or loss is reported as income or expense in the statements of operations and comprehensive loss.

**Income taxes**

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets ("DTAs") and deferred tax liabilities ("DTLs") for the expected future tax consequences of events that have been included in the financial statements. Under this method, DTAs and DTLs are determined on the basis of the difference between the financial statement and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on DTAs and DTLs is recognized in income in the period that includes the enactment date.

The Company recognizes DTAs to the extent that these assets are more likely than not to be realized. In making such a determination, all available positive and negative evidence are considered, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If it is determined that the DTAs in the future in excess of their net recorded amount can be realized, an adjustment to the DTA valuation allowance will be made, which would reduce the provision for income taxes.

The Company records uncertain tax positions in accordance with Accounting Standards Codification ("ASC") 740 on the basis of a two-step process in which (1) the Company determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority is realized.

**Leases**

At the inception of a contractual arrangement, the Company determines whether the contract contains a lease by assessing whether there is an identified asset and whether the contract conveys the right to control the use of the identified asset in exchange for consideration over a period of

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time. If both criteria are met, the Company records the associated lease liability and corresponding right-of-use asset upon commencement of the lease using the implicit rate or a discount rate based on a credit adjusted secured borrowing rate commensurate with the term of the lease.

The Company additionally evaluates leases at their inception to determine if they are to be accounted for as an operating lease or a finance lease. Operating lease assets represent a right to use an underlying asset for the lease term and operating lease liabilities represent an obligation to make lease payments arising from the lease. Operating lease obligations with a term greater than one year and their corresponding right-of-use assets are recognized on the balance sheet at the commencement date of the lease based on the present value of lease payments over the expected lease term. Certain adjustments to the right-of-use asset may be required for items such as initial direct costs paid or incentives received.

As the Company's operating leases do not typically provide an implicit rate, the Company utilizes the appropriate incremental borrowing rate, determined as the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term and in a similar economic environment. The lease cost is recognized on a straight-line basis over the lease term and variable lease payments are recognized as operating expenses in the period in which the obligation for those payments is incurred. Variable lease payments primarily include common area maintenance, utilities, real estate taxes, insurance and other operating costs that are passed on from the lessor in proportion to the space leased by the Company.

#### ***Research and development expenses***

Research and development expenses includes the cost of materials, personnel-related costs (comprised of salaries, benefits and share-based compensation), consulting fees and allocated facility costs associated with both our execution of technology development agreements and collaboration agreements, as well as our development of AI biotechnologies. Allocated facility costs include facility occupancy and information technology costs. The Company derives improvements to its platform from both types of activities. The Company has not historically tracked its research and development expenses on a partner-by-partner basis or on a program-by-program basis.

#### ***Stock-based compensation***

Stock-based compensation includes compensation expense for stock appreciation rights (SARs) and stock option grants to employees. Stock options are measured on the grant date based on the fair value of the award and recognized on a straight-line basis over the requisite service period and SARs are accounted for as a liability and re-measured at fair value at each reporting period. The fair value of stock options and SARs are determined using the Black-Scholes option-pricing model. The Company accounts for forfeitures as they occur.

#### ***Recently adopted accounting pronouncements***

In February 2016, the FASB issued ASU 2016-02, *Leases* (ASC 842). This ASU issues guidance that supersedes existing guidance on accounting for leases and is intended to increase transparency and comparability of accounting for lease transactions. ASC 842 requires most leases to be recognized on the balance sheet by recording a right-of-use (ROU) asset and a lease liability. The liability is equal to the present value of lease payments while the asset is based on the liability, subject to adjustment for initial direct costs. For income statement purposes, the FASB retained a dual model requiring leases to be classified as either operating or finance. The Company elected to early adopt this ASU effective January 1, 2019 using the optional transition method and applied the standard only to leases that existed at that date. The Company elected the "package of practical expedients," which allowed it to not reassess prior conclusions about lease identification, classification and initial direct costs. Additionally, the Company elected the short-term lease recognition exemption for all leases that qualify, which means it will not recognize ROU assets or lease liabilities for leases with

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lease terms of less than twelve months. As a result of adoption, the Company recognized operating lease ROU assets and lease liabilities of \$0.2 million and \$0.2 million, respectively, as of January 1, 2019.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (ASC 326)*, which sets forth a “current expected credit loss” model which requires the Company to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable supportable forecasts. This replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets measured at amortized cost. The Company adopted this standard as of January 1, 2020, and the adoption of this standard did not have a material impact to its consolidated financial statements.

In August 2020, the FASB issued ASU No. 2020-06, *Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40) (“ASU No. 2020-06”)*. The new guidance eliminates two of the three models in ASC 470-20 that require separating embedded conversion features from convertible instruments. As a result, only conversion features accounted for under the substantial premium model in ASC 470-20 and those that require bifurcation in accordance with ASC 815-15 will be accounted for separately. For contracts in an entity's own equity, the new guidance eliminates some of the requirements in ASC 815-40 for equity classification. The guidance also addresses how convertible instruments are accounted for in the diluted earnings per share calculation and requires enhanced disclosures about the terms of convertible instruments and contracts in an entity's own equity. ASU 2020-06 is effective for the Company after December 15, 2023. Early adoption is permitted for fiscal periods beginning after December 15, 2020. The Company adopted this standard as of January 1, 2021, on a retrospective basis. The Company has updated its fair value footnote (Note 9) with additional and modified disclosures as required by the standard upon adoption. Adoption of this standard did not have a material impact to the Company's consolidated financial statements.

***Recently issued accounting pronouncements, not yet adopted***

In December 2019, the FASB issued amended guidance on the accounting and reporting of income taxes. The guidance is intended to simplify the accounting for income taxes by removing exceptions related to certain intraperiod tax allocations and deferred tax liabilities; clarifying guidance primarily related to evaluating the step-up tax basis for goodwill in a business combination; and reflecting enacted changes in tax laws or rates in the annual effective tax rate. The amended guidance is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted. The application of the amendments in the new guidance are to be applied on a retrospective basis, on a modified retrospective basis through a cumulative-effect adjustment to retained earnings or prospectively, depending on the amendment. The Company is currently evaluating the impact of adoption on its consolidated financial statements.

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**3. Property and equipment**

Property and equipment consists of the following as of:

	December 31,		March 31,
	2019	2020	2021 (unaudited)
Furniture, fixtures and equipment	\$ 82	\$ 153	\$ 167
Leasehold Improvements	5	5	5
Computers	2	10	21
Total Cost	89	168	193
Less: accumulated depreciation	(47)	(71)	(77)
Net Property and Equipment	\$ 42	\$ 97	\$ 116

Depreciation expense was \$11, \$22 and \$7, for the years ended December 31, 2019 and 2020, and for the three months ended March 31, 2021, respectively.

**4. Long-term debt**

*PPP Loan*

In April 2020, the Company received loan proceeds in the amount of \$0.2 million under the Paycheck Protection Program ("PPP") established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). The loan had a two-year term and bore interest at a fixed rate of 1%. Under the terms of the CARES Act, the loan was eligible to be forgiven, in part or whole, if the proceeds were used to retain and pay employees and for other qualifying expenditures. In March 2021, the Company received notification from the Small Business Administration of the forgiveness of the \$0.2 million PPP loan and the Company recorded a gain on extinguishment in its consolidated statement of operations and comprehensive loss for the period ended March 31, 2021. The balance of the PPP loan was \$0.2 million as at December 31, 2020 and Nil as at March 31, 2021.

*Promissory note*

In December 2018, the Company issued a promissory note of \$1.6 million. The promissory note bears interest at a rate of 2.69% and has a maturity date of December 14, 2023. In the 2019 year, a prepayment of \$1.2 million was made on the promissory note. A principal balance of \$0.4 million is outstanding as at December 31, 2019 and 2020, and March 31, 2021.

*Convertible promissory notes*

From July 2018 to March 2021, the Company entered into subordinated note purchase agreements with various investors (The "Convertible Notes"), whereby the company borrowed aggregate principal of approximately \$13 million. The funds related to \$4.0 million, \$6.6 million and \$0.7 million of Convertible Notes that were received in the years ended December 31, 2020 and 2019, and the three months ending March 31, 2021 respectively. The maturity date of the Convertible Notes is April 30, 2021 and interest accrues at 5% per annum throughout the term of the Convertible Notes. There are no periodic interest or principal payments. The Company cannot prepay the 2021 Notes without the consent of the holders of a majority in interest of the outstanding Notes (the "Investors"). All unpaid principal, together with any accrued interest and other amounts payable under the Convertible Notes, shall be due and payable on the earlier of (i) the demand of the requisite investors at any time after April 30, 2021 (the "Maturity date"), or (ii) when, upon the occurrence and during the continuance of an Event of Default, such amounts are declared due and payable by the Requisite Investors or made automatically due and payable.

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The Convertible Notes shall automatically convert into shares of the Company's preferred stock when a transaction or series of transaction where the Company issues and sells shares of its preferred stock for aggregate gross proceeds of at least \$10 million with the principal purpose of raising capital ("qualified financing") occurs at any time while the notes remain outstanding. The Convertible Notes shall convert into shares of the Company's convertible preferred stock, at the option of the Investors, when a non-qualified financing occurs at any time while the notes remaining outstanding. In each case, the outstanding principal amount of the Note and all accrued and unpaid interest convert into fully paid and nonassessable share of preferred stock at a price per share equal to the lesser of (i) an amount obtained by dividing (x)\$25,000,000 by (y) the fully diluted capitalization of the Company (the Valuation Cap); and (ii) 80-95% of the price per share paid by the other purchasers of the preferred stock sold in a financing.

The Convertible Notes shall convert, under the option of the Investors, into shares of the Company's common stock, upon the first of the following transactions to occur: (i) upon a change of control or an initial public offering ("IPO"); or (ii) no qualified financing occurs on or prior to the Maturity date. In each case, the Investors have the right to convert the outstanding principal amount of the Convertible Note and all accrued and unpaid interest, into fully paid and nonassessable shares of the Company's common stock at a price per share equal the Valuation Cap.

Due to certain embedded features within the Convertible Notes, the Company elected to account for these notes and all their embedded features under the fair value option. The Company recognized change in fair value of the Convertible Notes of \$0.3 million, \$1.4 million and \$19.9 million in the statements of operations and comprehensive loss for the periods ended December 31, 2019 and 2020, and March 31, 2021, respectively. The fair value of the Convertible Notes was \$8.8 million, \$14.2 million and \$34.8 million as of December 31, 2019 and 2020, and March 31, 2021, respectively.

Future maturities of the debt outstanding relating to convertible promissory notes, the promissory note, and the PPP Loan as of December 31, 2020 are as follows:

<b>Years Ending December 31:</b>	
2021	\$ 14,152
2022	188
2023	423
Total Long-Term Debt	<u>\$ 14,763</u>

## **5. Leases**

The Company evaluated whether our contractual arrangements contain leases at the inception of such arrangements. Specifically, the Company considers whether it can control the underlying asset and has the right to obtain substantially all of the economic benefits or outputs from the asset. Substantially all of the Company's leases are long-term operating leases with fixed payment terms. The Company's right of use (ROU) operating lease assets represent their right to use an underlying asset for the lease term, and their operating lease liabilities represent the obligation to make lease payments.

Both the ROU operating lease asset and liability are recognized as of the lease commencement date at the present value of the lease payments over the lease term. The Company's leases do not provide an implicit rate that can readily be determined. Therefore, the Company uses a discount rate based on their incremental borrowing rate, which is determined using information available as of the commencement date. ROU operating lease assets include lease payments made at or before the lease commencement date, net of any lease incentives. The Company evaluates ROU assets for

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impairment consistent with their property, plant and equipment policy (see Note 2 – Significant Accounting Policies).

The Company's operating lease agreements may include options to extend the lease term or terminate it early. The Company includes options to extend or terminate leases in the ROU operating lease asset and liability when it is reasonably certain they will exercise these options. Operating lease expense is recognized on a straight-line basis over the lease term.

The Company generally enters into operating lease agreements for facilities. The Company's ROU operating lease assets and liabilities were as follows:

	December 31,		March 31,
	2019	2020	2021 (unaudited)
ROU operating lease assets	\$ 750	\$ 476	\$ 392
Operating lease Liabilities - non-current	(471)	(247)	(196)
Operating lease Liabilities - current	(316)	(257)	(222)

The weighted average remaining lease term and discount rate for the Company's operating leases were as follows:

	December 31,		March 31,
	2019	2020	2021 (unaudited)
Weighted average remaining lease term	2.57	1.95	1.81
Weighted average discount rate	9.53 %	9.96 %	9.91 %

The Company recognized operating lease expense of \$0.4 million, \$0.4 million and \$0.1 million in the years ended December 31, 2019 and 2020, and the three months ending March 31, 2021, respectively. In addition, we made cash payments of \$0.4 million, \$0.4 million and \$0.1 million in the years ended December 31, 2019 and 2020, and the three months ending March 31, 2021 respectively, which are included in cash flows from operating activities in the statement of cash flows.

Future minimum lease payments under the Company's non-cancelable operating leases as of December 31, 2020 are as follows:

<b>Years Ended December 31:</b>	<b>Maturity Analysis</b>
2021	\$ 287
2022	148
2023	68
Total	\$ 503



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Future minimum lease payments under the Company's non-cancelable operating leases as of March 31, 2021 are as follows:

<b>Years Ended December 31 (unaudited):</b>		<b>Maturity analysis</b>
2021 (remaining)	\$	201
2022		148
2023		68
Total	\$	417

**6. Commitments and contingencies**

Currently, and from time to time, the Company and its business is involved in litigation incidental to the conduct of its business. The Company is currently neither party to any lawsuit nor proceeding that, in its opinion, is likely to have a material adverse effect on the Company's financial position, results of operations, or cash flows.

**7. Stock-based compensation**

In 2018, the Company's Board of Directors approved the 2018 Equity Incentive Plan (the "Plan"), under which authorized shares of Common Stock were increased by 2,903,226 to 12,903,226. The purpose of the Plan is to provide incentives to attract and retain employees, directors and consultants and to provide incentive to promote the success of the Company's business. The Plan provides for different forms of benefits including incentive stock options, nonqualified stock options, and stock appreciation rights (SARs). Options granted under the Plan to employees continue to vest until the last day of employment and generally vest over four years and expire 10 years from the date of grant. Employees generally forfeit their rights to exercise vested options following their termination of employment. As of December 31, 2020 out of the shares of 2,903,226 that were able to be issued under the Plan, there were 1,360,433 shares that remained unissued.

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**Stock appreciation rights (SARs)**

SARs, when exercised, are settled through a cash payment determined based on the exercise date fair value of the Company's stock and are accounted for as a liability on the balance sheet re-measured to fair value at each reporting period.

Activity for the stock appreciation rights is as follows:

	Number of SARs	Weighted Average Grant Date Fair Value per SAR	Aggregate Intrinsic Value
Unvested as of December 31, 2018	—	\$ —	\$ —
Granted	427,095	0.84	
Vested	(286,262)	0.84	
Cancelled/forfeited	(13,978)	0.84	
Unvested as of December 31, 2019	126,855	\$ 0.84	\$ 15
Granted	—	0.84	
Vested	(93,602)	0.84	
Cancelled/forfeited	(16,129)	0.84	
Unvested as of December 31, 2020	17,124	\$ 0.84	\$ 4
Granted (unaudited)	182,965	1.08	
Vested (unaudited)	(18,427)	0.89	
Cancelled/forfeited (unaudited)	(12,806)	1.06	
Unvested as of March 31, 2021 (unaudited)	168,856	\$ 1.08	\$ 630

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**Stock Options**

Stock options generally vest 25% after one year from the date of the grant with the remainder vesting monthly over the following three-year period. Certain options have alternative vesting schedules including ratably over 3-4 years and immediate vesting. The Company recognizes forfeitures as they occur and uses the straight-line expense recognition method. Activity for stock options is shown below:

	Number of Options	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands \$)
Outstanding as of December 31, 2018	—	\$ —	—	\$ —
Granted	1,571,613	0.84	10	—
Expired	(51,963)	0.84	—	—
Cancelled/forfeited	(42,231)	0.84	—	—
Outstanding as of December 31, 2019	1,477,419	\$ 0.84	9	\$ 178
Granted	—		—	—
Expired	(257,527)	0.84	—	—
Cancelled/forfeited	(71,506)	0.84	—	—
Outstanding as of December 31, 2020	1,148,386	\$ 0.84	8	\$ 275
Granted (unaudited)	267,737	1.08	10	—
Expired (unaudited)	(61,828)	—	—	—
Exercised(unaudited)	(1,000)	(0.84)	—	—
Cancelled/forfeited (unaudited)	(2,688)	—	—	—
Outstanding as of March 31, 2021 (unaudited)	1,350,607	\$ 0.89	9	\$ 5,301
Exercisable as of December 31, 2020	1,031,961	\$ 0.84	8	\$ 248
Vested and expected to vest as of December 31,2020	1,455,752			

The weighted-average grant date fair value of stock options granted during the year ended December 31, 2019 was \$0.80 per share. During the year ended December 31, 2020 there was no additional options granted to the employees of the Company. The weighted average grant date fair value per share for the three months ended March 31, 2021 was \$4.76.

The fair value of options vested during the years ended December 31, 2019 and December 31, 2020 were \$0.9 million and \$0.3 million, respectively. For the three months ended March 31, 2021 the fair value of options vested was \$0.1 million.

As of December 31, 2019 the total unrecognized stock-based compensation related to the unvested stock options was \$0.3 million. As of December 31, 2020 the total unrecognized stock-based compensation related to the unvested stock options was \$0.1 million. As of March 31, 2021, total unrecognized stock-based compensation related to unvested stock options was \$1.2 million, which the Company expects to recognize over a remaining weighted average vesting period of 3.8 years.

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The aggregate intrinsic value was calculated based on (i) the strike price of \$0.84 for options relating to the 2019 grant and \$1.08 for options relating to the 2021 grant and (ii) the estimated fair value of common stock of \$0.96 per share as of December 31, 2019, \$1.08 per share as of December 31, 2020, and \$4.81 per share as of March 31, 2021.

Stock-based compensation expense included in the statements of comprehensive loss is as follows:

	December 31,		Three months ended
	2019	2020	March 31, 2021 (unaudited)
Research and development	\$ 918	\$ 294	\$ 1,495
General and administrative	196	71	107
<b>Total</b>	<b>1,114</b>	<b>365</b>	<b>1,602</b>

**Determination of Fair Value**

The estimated grant-date fair value of all the Company's stock options and the mark-to-market fair value of all the Company's stock appreciation rights and was calculated using the Black-Scholes option pricing model, based on the following assumptions:

	2019	2020	2021
Expected term (range) (years)	4.25 - 5.25	3.25	3.00 - 7.00
Expected volatility (range) (%)	173% - 182%	173 %	172 %
Risk-free interest rate (range) (%)	1.66% - 2.51%	0.17 %	0.35% - 1.4%
Dividend yield (%)	0 %	0 %	0 %

The fair value of each stock appreciation right and stock option was determined by the Company using the methods and assumptions discussed below. Each of these inputs is subjective and generally requires significant judgment and estimation by management.

**Expected Term**—The expected term represents the period that stock-based awards are expected to be outstanding. The Company's SARs and options have a contractual term of ten years, and vesting is over a four-year period. The expected term for the stock appreciation rights and options was derived by using the simplified method which uses the midpoint between the average vesting term and the contractual expiration period of the stock-based award.

**Expected Volatility**—The expected volatility was derived from the historical stock volatilities of comparable peer public companies within the Company's industry. These companies are considered to be comparable to the Company's business over a period equivalent to the expected term of the stock-based awards.

**Risk-Free Interest Rate**—The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the date of grant for zero-coupon U.S. Treasury notes with maturities approximately equal to the SARs and stock options' expected term.

**Expected Dividend Rate**—The expected dividend is zero as the Company has not paid nor does it anticipate paying any dividends on its common stock underlying its stock options in the foreseeable future.

The Company estimated the fair value of its common stock underlying the stock-based awards when performing fair value calculations using the Black-Scholes option pricing model. Because the

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Company's common stock is not currently publicly traded, the fair value of its common stock underlying the stock-based awards has been determined on each grant date by management and approved by the Company's board of directors, considering the most recently available third-party valuation of common shares. All options to purchase shares of the Company's common stock are intended to be granted with an exercise price per share no less than the fair value per share of the common stock underlying those options on the date of grant, based on the information known to the Company on the date of grant.

The Company's determination of the value of its common stock was performed using methodologies, approaches and assumptions consistent with the American Institute of Certified Public Accountants (AICPA), Audit and Accounting Practice Aid Series: Valuation of Privately Held Company Equity Securities Issued as Compensation (AICPA Practice Aid). In addition, the Company's Board of Directors considered various objective and subjective factors to determine the fair value of the common stock, including:

- valuations of the Company's common stock performed by third-party valuation specialists;
- the anticipated capital structure that will directly impact the value of the currently outstanding securities;
- the Company's results of operations and financial position;
- the composition of, and changes to, the management team and Board of Directors;
- the lack of liquidity of the Company's common stock as a private company;
- the Company's stage of development and business strategy and the material risks related to its business and industry;
- external market conditions affecting the life sciences and biotechnology industry sectors;
- U.S. and global economic conditions;
- convertible note financing;
- the market value and volatility of comparable companies.

The AICPA Practice Aid prescribes several valuation approaches for setting the value of an enterprise, such as the cost, income and market approaches, and various methodologies for allocating the value of an enterprise to its common stock. The cost approach establishes the value of an enterprise based on the cost of reproducing or replacing the property less depreciation and functional or economic obsolescence, if present. The income approach establishes the value of an enterprise based on the present value of future cash flows that are reasonably reflective of future operations, discounting to the present value with an appropriate risk adjusted discount rate or capitalization rate. The market approach is based on the assumption that the value of an asset is equal to the value of a substitute asset with the same characteristics.

In accordance with the AICPA Practice Aid, the Company considered the various methods for allocating the enterprise value to determine the fair value of its common stock at the valuation date. Under the option pricing method (OPM), shares are valued by creating a series of call options with exercise prices based on the liquidation preferences and conversion terms of each equity class. The value of the common stock is inferred by analyzing these options. Until March 31, 2021, the Company utilized the OPM based on the pricing of its convertible notes to determine its common stock fair value. At March 31, 2021 the Company primarily relied upon a negotiated enterprise value to determine its common stock fair value.

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**8. Employee benefit plan**

The Company sponsors a 401(k) tax-deferred savings plan for all employees who meet certain eligibility requirements. Participants may contribute, on a pre-tax or post-tax basis, a percentage of their annual compensation, not to exceed a maximum contribution amount pursuant to Section 401(k) of the Internal Revenue Code. The Company match is 100% of the employees' first contribution of 3%, plus 50% of the next 2% of eligible compensation contributed by the employee, up to a maximum Company match of 4% of compensation for each employee. The Company contributed \$30, \$48, and \$8 for the years ended December 31, 2019 and 2020 and the three-month period ended 31 March 2021, respectively.

**9. Fair value measurements**

GAAP 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 nonrecurring 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.

When quoted market prices are available in active markets, the fair value of assets and liabilities is estimated within Level 1 of the valuation hierarchy.

If quoted prices are not available, then fair values are estimated by using pricing models, quoted prices of assets and liabilities with similar characteristics, or discounted cash flows, within Level 2 of the valuation hierarchy. In cases where Level 1 or Level 2 inputs are not available, the fair values are estimated by using inputs within Level 3 of the hierarchy.

The following tables summarize the Company's assets and liabilities measured at fair value on a recurring basis as of December 31, 2019, 2020 and March 31, 2021 (in thousands):

Liability:	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Convertible promissory notes	\$ —	\$ —	\$ 8,773	\$ 8,773
Total liabilities	\$ —	\$ —	\$ 8,773	\$ 8,773

Liability:	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Convertible promissory notes	\$ —	\$ —	\$ 14,152	\$ 14,152
Total liabilities	\$ —	\$ —	\$ 14,152	\$ 14,152

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Liability:	March 31, 2021 (unaudited)			
	Level 1	Level 2	Level 3	Total
Convertible promissory notes	\$ —	\$ —	\$ 34,767	\$ 34,767
Total liabilities	\$ —	\$ —	\$ 34,767	\$ 34,767

The following table provides reconciliation for all liabilities measured at fair value using significant unobservable inputs (Level 3) for years ended December 31, 2019 and 2020 and the three months ended March 31, 2021 (in thousands):

Balance at December 31, 2018	\$ 1,874
Convertible notes issued	6,600
Change in fair value of convertible notes	299
Balance at December 31, 2019	8,773
Convertible notes issued	4,009
Change in fair value of convertible notes	1,370
Balance at December 31, 2020	14,152
Convertible notes issued (unaudited)	724
Change in fair value of convertible notes (unaudited)	19,891
Balance at March 31, 2021 (unaudited)	\$ 34,767

Between July 2018 and March 2021, the Company sold and issued approximately \$13 million in aggregate principal amount of convertible promissory notes (the Convertible Notes), as described in Note 4.

The Company elected to account for the Convertible Notes at fair value, as of the issuance date, and records the interest that has been accrued within the change of fair value of the Convertible Notes in the statement of operations and comprehensive loss. Management believes that the fair value option better reflects the underlying economics of the Convertible Notes, which contain embedded derivatives. Under the fair value election, changes in fair value are reported within interest and other expense, net in the statement of operations and comprehensive loss for each period presented. The Company measured the fair value of the Convertible Notes using the probability weighted "as converted" plus put and Black-Scholes call model based on inputs such as probability of financing, change of control and maturity scenarios, discount yield, risk free rate, equity volatility, expected term, number of converted shares and the expected purchase price for a change of control.

Below are the assumptions used for the Black-Scholes call option pricing valuation model for the fair value of the Convertible Notes:

Assumption	December 31,		March 31,
	2019	2020	2021 (unaudited)
Fair value of common stock	\$ 0.97	\$ 1.08	\$ 4.81
Expected volatility	65.00 %	80.00 %	100.00 %
Expected term (years)	1.0	0.5	0.25
Expected dividend yield	—	—	—
Risk-free interest rate	1.59 %	0.09 %	0.03 %

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The put option model for the maturity and change of control scenarios used the same assumptions described above plus a discount rate of 16.1%, 14% and 12.4% as of December 31, 2019, December 31, 2020 and March 31, 2021, respectively. At December 31 2019 and 2020, the estimated fair value of common stock was based on the implied price of common stock derived from recent note issuances. At March 31, 2021, the estimated fair value of common stock also considered the negotiated transaction price for the purchase of the Company. There are significant judgments, assumptions and estimates inherent in the determination of the fair value of each of the Convertible Notes. These include determination of a valuation method and selection of the possible outcomes available to the Company and noteholders, including the determination of timing and expected investment returns for such scenarios. The related judgments, assumptions and estimates are highly interrelated and changes in any one assumption could necessitate changes in another. Specifically, any changes in the probability of a particular outcome would require a related change to the probability of another outcome. In the future, depending on the valuation approaches used and the expected timing and weighting of each, the inputs described above, or other inputs, may have a greater or lesser impact on the Company's estimates of fair value.

**10. Income taxes**

For financial reporting purposes, Income (Loss) before provision for income taxes includes the following components:

	Year ended December 31,	
	2019	2020
Domestic	\$ (5,739)	\$ (5,003)
Foreign	(182)	16
Income/(Loss) before income taxes	<u>\$ (5,921)</u>	<u>\$ (4,987)</u>

**Provision (Benefit) for income taxes**

The provision (benefit) for income taxes consists of the following:

	Year ended December 31,	
	2019	2020
<b>Current:</b>		
Federal	\$ —	\$ —
State	1	1
Foreign	15	23
Total current	<u>\$ 16</u>	<u>\$ 24</u>
<b>Deferred:</b>		
Federal	—	—
State	—	—
Foreign	—	—
Total deferred	<u>—</u>	<u>—</u>
Provision (benefit) for income taxes	<u>\$ 16</u>	<u>\$ 24</u>



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Income tax provision (benefit) related to continuing operations differ from the amounts computed by applying the statutory income tax rate of 21% to pretax loss as follows:

<b>US Federal provision (benefit)</b>	<b>Year ended December 31,</b>	
	<b>2019</b>	<b>2020</b>
<b>Current:</b>		
At statutory rate	\$ (1,243)	\$ (1,048)
State taxes	(318)	(290)
State valuation allowance	319	291
Federal valuation allowance	1,031	989
Foreign tax differential	4	1
Tax credits	—	—
Expiring tax attributes	—	—
Foreign valuation allowance	49	18
Stock based compensation	131	38
Meal and entertainment	2	—
R&D addback	42	25
<b>Total</b>	<b>\$ 16</b>	<b>\$ 24</b>

The Company's estimated annual effective tax rate at March 31, 2021 of 0.10% differs from the prior period effective tax rate of 0.476%. The decrease in the Company's estimated annual effective tax rate for the three months ended March 31, 2021, when compared to the same period in 2020, was primarily due to a significant increase in financial losses recognized on mark-to-market adjustments related to convertible notes as of March 31, 2021.

***Deferred tax assets and liabilities***

Deferred income taxes reflect the net tax effects of loss and credit carryforwards and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes

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and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets for federal and state income taxes are as follows:

	Year ended December 31,	
	2019	2020
<b>Deferred tax assets</b>		
Federal and state NOL carryforward	\$ 2,738	\$ 3,666
Stock based compensation	142	195
Convertible note fair value adjustments	158	553
Total gross DTA	\$ 3,038	\$ 4,414
<i>Less valuation allowance</i>	(3,037)	(4,413)
Total deferred tax assets	\$ 1	\$ 1
<b>Deferred tax liabilities</b>		
Fixed assets	(1)	(1)
Total gross DTL	\$ (1)	\$ (1)
Net deferred tax assets	\$ 0	\$ 0

Realization of our deferred tax assets is dependent upon future earnings, if any, the timing and amount of which are uncertain. Because of our lack of U.S. earnings history, the net U.S. deferred tax assets have been fully offset by a valuation allowance. The valuation allowance increased by \$3 million and \$1.4 million, during the years ended December 31, 2019 and 2020, respectively. The valuation allowance includes approximately \$0.1 million and \$0.2 million of benefit at December 31, 2019, and December 31, 2020, respectively related to stock-based compensation and exercises, prior to the implementation of ASC 515 and 718, that will be credited to additional paid in capital when realized.

Undistributed earnings of our foreign subsidiary in the UK and Serbia are considered to be permanently reinvested and accordingly, no deferred U.S. income taxes have been provided thereon. Upon distribution of those earnings in the form of dividends or otherwise, we would be subject to U.S. income tax. At the present time it is not practicable to estimate the amount of U.S. income taxes that might be payable if these earnings were repatriated.

**Net operating loss and tax credit carryforwards**

As of December 31, 2019, and December 31, 2020, we had a net operating loss carryforward for federal income tax purposes of approximately \$9.2 million and \$12.3 million respectively of which \$1.4 million for both periods will begin to expire in 2037. We had a total state net operating loss carryforward on December 31, 2019 and December 31, 2020 of approximately \$9 million and \$12.1 million respectively which will begin to expire in 2037. Utilization of some of the federal and state net operating loss and credit carryforwards are subject to annual limitations due to the "change in ownership" provisions of the Internal Revenue Code of 1986 and similar state provisions. The annual limitations may result in the expiration of net operating losses and credits before utilization.

As of December 31, 2019 and December 31, 2020 we had a net operating loss carryforward for U.K. income tax purposes of approximately \$474 and \$571, respectively, which have an indefinite life and are not scheduled to expire.

We have federal and state tax credits of approximately \$0 as of December 31, 2019 and December 31, 2020. These tax credits are subject to the same limitations discussed above.

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***Unrecognized tax benefits***

We have incurred net operating losses since inception and we do not have any significant unrecognized tax benefits. Our policy is to include interest and penalties related to unrecognized tax benefits, if any, within the provision for taxes in the consolidated statements of operations. If we are eventually able to recognize our uncertain positions, our effective tax rate would be reduced. We currently have a full valuation allowance against our net deferred tax asset which would impact the timing of the effective tax rate benefit should any of these uncertain tax positions be favorably settled in the future. Any adjustments to our uncertain tax positions would result in an adjustment of our net operating loss or tax credit carry forwards rather than resulting in a cash outlay.

We file income tax returns in the U.S., Serbia, and the UK. We are not currently under examination in these jurisdictions. Because of net operating losses, substantially all of our tax years remain open to examination.

**11. Subsequent events**

Management has evaluated subsequent events through **June 11, 2021**, which is the date that the financial statements were available to be issued.

***Convertible notes***

On April 29, 2021 and May 20, 2021 the Company issued \$181 and \$420, respectively, of Convertible Notes. The notes bear interest at a rate of 5% per annum and are convertible into the Company's preferred or common stock upon the occurrence of certain events including a qualified or non-qualified financing, a change in control, IPO, or optionally after the respective maturity dates of April 30, 2021 and May 31, 2021.

The Convertible Notes shall automatically convert into shares of the Company's preferred stock when a transaction or series of transaction where the Company issues and sells shares of its preferred stock for aggregate gross proceeds of at least \$10 million with the principal purpose of raising capital ("qualified financing") occurs at any time while the notes remain outstanding. The Convertible Notes shall convert into shares of the Company's convertible preferred stock, at the option of the Investors, when a non-qualified financing occurs at any time while the notes remaining outstanding. In each case, the outstanding principal amount of the Note and all accrued and unpaid interest convert into fully paid and nonassessable share of preferred stock at a price per share equal to the lesser of (i) an amount obtained by dividing (x)\$25,000,000 by (y) the fully diluted capitalization of the Company (the Valuation Cap); and (ii) 85% of the price per share paid by the other purchasers of the preferred stock sold in a financing.

The Convertible Notes shall convert, under the option of the Investors, into shares of the Company's common stock, upon the first of the following transactions to occur: (i) upon a change of control or an IPO; or (ii) no qualified financing occurs on or prior to the Maturity date. In each case, the Investors have the right to convert the outstanding principal amount of the Convertible Note and all accrued and unpaid interest, into fully paid and nonassessable shares of the Company's common stock at a price per share equal the Valuation Cap.

***Equity incentive plan***

On May 31, 2021 the Company decreased the number of shares of common stock available for sale and issuance under the 2018 Equity Incentive Plan to 1,354,478.

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***Acquisition***

Totient was acquired by AbSci Corporation on June 4, 2021. As a result of the acquisition, all outstanding convertible promissory notes were converted to common stock and all outstanding stock options and SARs were immediately vested.

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*shares*



*Common stock*

**Prospectus**

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**J.P. Morgan**

**Credit Suisse**

**BofA Securities**

**Cowen**

**Stifel**

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Until \_\_\_\_\_, 2021 (25 days after the date of this prospectus), all dealers that buy, sell or trade shares of our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

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## Part II

### Information Not Required in Prospectus

#### Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth the fees and expenses, other than underwriting discounts and commissions, payable in connection with the registration of the common stock hereunder. All amounts are estimates except the SEC registration fee, the FINRA filing fee and the Nasdaq Global Market listing fee.

	Amount to be Paid
SEC registration fee	\$ *
FINRA filing fee	*
Nasdaq Global Market listing fee	*
Printing and mailing	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer agent and registrar fees and expenses	*
Miscellaneous	*
Total	\$ *

\* To be completed by amendment.

#### Item 14. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law (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 have adopted provisions in our amended and restated certificate of incorporation and amended and restated bylaws to be in effect immediately prior to the completion of this offering that limit or eliminate the personal liability of our directors to the fullest extent permitted by the DGCL, as it now exists or may in the future be amended. Consequently, a director will not be personally liable to us or our stockholders for monetary damages or breach of fiduciary duty as a director, except for liability for:

- any breach of the 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; any unlawful payments related to dividends or unlawful stock purchases, redemptions or other distributions; or any transaction from which the director derived an improper personal benefit.

These limitations of liability do not alter director liability under the federal securities laws and do not affect the availability of equitable remedies such as an injunction or rescission.

In addition, our bylaws 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 intend to enter into indemnification agreements with each of our directors and executive officers. These agreements will provide that we will indemnify each of our directors, certain of 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 will agree 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 will 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 (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.

#### **Item 15. Recent Sales of Unregistered Securities.**

In the three years preceding the filing of this registration statement, we have issued the following securities that were not registered under the Securities Act. No underwriters were involved in the sales and the certificates representing the securities sold and issued contain legends restricting transfer of the securities without registration under the Securities Act or an applicable exemption from registration.

##### *(a) Issuances of Capital Stock and Convertible Promissory Notes*

On May 25, 2018, we sold an aggregate of 1,760,252 Series C redeemable convertible preferred units at a purchase price of \$6.95 per unit, for an aggregate purchase price of approximately \$12.2 million.

From December 2019 through June 2020, we sold an aggregate of 1,058,224 Series D-1 redeemable convertible preferred units, 102,146 Series D-2 redeemable convertible preferred units, 341,161 Series D-3 redeemable convertible preferred units and 30,645 Series D-4 redeemable convertible preferred units, each at a purchase price of \$9.79 per share, for an aggregate purchase price of approximately \$15.0 million.

On October 16, 2020, we completed a reorganization whereby we converted from a Delaware limited liability company, under the name AbSci LLC, to a Delaware corporation under the name Absci Corporation (Conversion). In conjunction with the Conversion, (i) all of our outstanding common units converted on a 1-for-1 basis into 4,606,505 shares of common stock and (ii) all of our outstanding preferred units converted on a 1-for-1 basis into 10,438,524 shares of redeemable convertible preferred stock. Prior to the Conversion, we had issued LLC incentive units to employees, directors and consultants. Upon the Conversion, our outstanding 1,008,055 incentive units converted on a net issuance basis into 808,909 shares of restricted common stock.

From October 2020 through February 2021, we sold an aggregate of 3,568,405 shares of Series E redeemable convertible preferred stock at a purchase price of \$19.6166 per share, for an aggregate purchase price of approximately \$70.0 million.

On March 17, 2021, we sold convertible promissory notes for an aggregate purchase price of \$125.0 million.

On June 4, 2021, we issued 669,743 shares of common stock to the former security holders of Totient, Inc. in connection with our acquisition of Totient.

The offers and sales of the securities described above were deemed to be exempt from registration pursuant to Section 4(a)(2) of the Securities Act, including Regulation D and Rule 506 promulgated thereunder, as transactions by an issuer not involving a public offering. All of the purchasers in these transactions represented to us in connection with their purchase that they were acquiring the securities for investment and not distribution, that they could bear the risks of the investment and could hold the securities for an indefinite period of time. Such purchasers received written disclosures that the securities had not been registered under the Securities Act and that any resale must be made pursuant to a registration or an available exemption from such registration. All of the foregoing securities are deemed restricted securities for the purposes of the Securities Act.

*(b) Grants and Exercises of Stock Options and Issuances of Restricted Stock*

Since April 1, 2018, we granted stock options to purchase 2,228,223 shares of our common stock to our employees, directors and consultants at a weighted average exercise price of \$6.02 per share under the 2020 Plan, and options for 18,956 shares of common stock were exercised at an exercise price of \$3.63 per share.

We sold an aggregate of 212,958 shares of common stock to employees, directors and consultants for cash consideration in the aggregate amount of \$21.30 pursuant to the issuance of restricted stock under the 2020 Plan.

The issuances of the securities described above were deemed to be exempt from registration pursuant to Section 4(a)(2) of the Securities Act or Rule 701 promulgated under the Securities Act as transactions pursuant to compensatory benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of such securities were the registrant's employees, consultants or directors and received the securities under the registrant's 2020 Stock Plan. The shares of common stock issued upon the exercise of options are deemed to be restricted securities for purposes of the Securities Act.

**Item 16. Exhibits and Financial Statement Schedules.**

**(a) Exhibits.**

The exhibits to the registration statement are listed in the Exhibit Index to this registration statement and are incorporated herein by reference.

**(b) Financial statement schedules.**

None.



# Exhibit Index

Exhibit No.	Description
1.1*	Form of Underwriting Agreement
2.1*	Agreement and Plan of Merger by and among the Registrant, Target Discovery Merger Sub I, Inc., Target Discovery Merger Sub II, LLC and Totient, Inc., dated June 4, 2021
3.1	Amended and Restated Certificate of Incorporation, as amended, of the Registrant, as currently in effect
3.2*	Form of Amended and Restated Certificate of Incorporation of the Registrant, to be in effect immediately prior to completion of the offering
3.3	Bylaws of the Registrant, as currently in effect
3.4*	Form of Amended and Restated Bylaws of the Registrant, to be in effect upon completion of the offering
4.1*	Specimen Common Stock Certificate
4.2	Investors' Rights Agreement by and among the Registrant and certain of its stockholders dated October 19, 2020
5.1*	Opinion of Goodwin Procter LLP
10.1#	2020 Stock Option and Grant Plan and forms of award agreements thereunder
10.2*#	2021 Stock Option and Incentive Plan and forms of award agreements thereunder
10.3*#	2021 Employee Stock Purchase Plan
10.4*#	Senior Executive Cash Incentive Bonus Plan
10.5*#	Non-Employee Director Compensation Policy
10.6#	Offer Letter, by and between the Registrant and Gregory Schiffman, dated March 26, 2020
10.7#	Offer Letter, by and between the Registrant and Matthew Weinstock, dated July 10, 2018
10.8*	Form of Indemnification Agreement by and between the Registrant and each of its directors and officers
10.9	Office Lease, by and between AbSci, LLC and Broadway Investors II, LLC, dated as of August 11, 2016, as amended by Amendment No. 1 dated as of January 27, 2017, Amendment No. 2 dated as of November 27, 2017, Amendment No. 3 dated as of July 31, 2018, Amendment No. 4 dated as of February 1, 2019 and Amendment No. 5 dated as of July 1, 2019
10.10	Sublease Agreement, by and between AbSci, LLC and Killian Pacific LLC, dated as of February 1, 2019, as amended by Amendment No. 1 of Sublease dated as of July 1, 2019
10.11	Lease, by and between the Registrant and Columbia Tech Center, L.L.C., dated as of December 2, 2020, as amended by First Lease Modification Agreement, dated as of March 8, 2021
10.12*†	Joint Marketing Agreement, by and between AbSci, LLC and KBI Biopharma, Inc., dated as of December 5, 2019
16.1*	Letter regarding Change in Independent Registered Public Accounting Firm
23.1*	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm
23.2*	Consent of Moss Adams LLP, Independent Registered Public Accounting Firm
23.3*	Consent of Goodwin Procter LLP (included in Exhibit 5.1)
24.1*	Power of Attorney (included on signature page)

\* To be filed by amendment.

† Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit.

# Represents management compensation plan, contract or arrangement.

## 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 Vancouver, Washington, on the      day of      , 2021.

ABSCI CORPORATION

By: \_\_\_\_\_

Sean McClain

Chief Executive Officer and Director

## Power of Attorney

Each person whose individual signature appears below hereby authorizes and appoints Sean McClain, Gregory Schiffman and Todd Bedrick, and each of them, with full power of substitution and resubstitution and full power to act without the other, as his true and lawful attorney in fact and agent to act in his name, place and stead and to execute in the name and on behalf of each person, individually and in each capacity stated below, and to file any and all amendments to this Registration Statement, including any and all post effective amendments and amendments thereto, and any registration statement relating to the same offering as this Registration Statement that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys in fact and agents, and each of them, full power and authority to do and perform each and every act and thing, ratifying and confirming all that said attorneys in fact and agents or any of them or their or his substitute or substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated below.

Signature	Title	Date
Sean McClain	Chief Executive Officer and Director (Principal Executive Officer)	, 2021
Gregory Schiffman	Chief Financial Officer (Principal Financial Officer)	, 2021
Todd Bedrick	Corporate Controller (Principal Accounting Officer)	, 2021
Andreas Pihl	Chief Operating Officer and Director	, 2021
Eli Casdin	Director	, 2021
Zachariah Jonasson, Ph.D.	Director	, 2021
V. Bryan Lawlis, Ph.D.	Director	, 2021
Ivana Magovcevic-Liebisch, Ph.D.	Director	, 2021
Karen McGinnis, CPA	Director	, 2021
Amrit Nagpal	Director	, 2021

**AMENDED AND RESTATED  
CERTIFICATE OF INCORPORATION  
OF  
ABSCI CORPORATION**

(Pursuant to Sections 241 and 245 of the  
General Corporation Law of the State of Delaware)

AbSci Corporation, 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 AbSci Corporation, and that this corporation was originally incorporated pursuant to the General Corporation Law on October 5, 2020.
2. That this corporation has not received any payment for any of its stock.
3. That the Board of Directors of the corporation (the “**Board**”) has duly adopted this Amended and Restated Certificate of Incorporation of this corporation in accordance with Sections 241 and 245 of the General Corporation Law, pursuant to resolutions proposing to amend and restate the Certificate of Incorporation of this corporation, 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 AbSci Corporation (the “**Corporation**”).

**SECOND:** The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle, 19801. The name of its registered agent at such address is The Corporation Trust Company.

**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) 22,000,000 shares of Common Stock, \$0.0001 par value per share (“**Common Stock**”), and (ii) 13,845,050 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 (1) 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 (1) 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 (1) 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 (1) 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

Of the 13,845,050 shares of the authorized Preferred Stock of the Corporation, (i) 1,573,547 shares are hereby designated “**Junior Preferred Stock**”); (ii) (w) 2,200,000 shares are hereby designated “**Series A-1 Preferred Stock**,” (x) 500,000 shares are hereby designated “**Series A-2 Preferred Stock**,” (y) 1,500,000 shares are hereby designated “**Series A-3 Preferred Stock**,” and (z) 93,007 shares are hereby designated “**Series A-4 Preferred Stock**,” and collectively with the Series A-1 Preferred Stock, Series A-2 Preferred Stock and Series A-3 Preferred Stock, the “**Series A Preferred Stock**”; (iii) 1,372,549 shares are hereby designated “**Series B Preferred Stock**”, (iv) 1,760,252 shares are hereby designated “**Series C Preferred Stock**”, (v) (w) 1,058,224 shares are hereby designated “**Series D-1 Preferred Stock**,” (x) 102,146 shares are hereby designated “**Series D-2 Preferred Stock**,” (y) 341,161 shares are hereby designated “**Series D-3 Preferred Stock**,” and (z) 30,645 shares are hereby designated “**Series D-4 Preferred Stock**,” and collectively with the Series D-1 Preferred Stock, Series D-2 Preferred Stock and Series D-3 Preferred Stock, the “**Series D Preferred Stock**”; and (vi) 3,313,519 shares are hereby designated “**Series E Preferred Stock**,” in each case with the following rights, preferences, powers, privileges and restrictions, qualifications and limitations. Unless otherwise indicated, references to “sections” or “subsections” in this Part B of this Article Fourth refer to sections and subsections of Part B of this Article Fourth. References to “Preferred Stock” mean the Junior Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock and Series E Preferred Stock.

1. Dividends.

1.1 Accruing Dividends. From and after the applicable Accrual Date (as defined below) of any shares of Preferred Stock, dividends at the rate per annum of (a) \$0.06 per share with respect to the Junior Preferred Stock, (b) \$0.06 per share with respect to the Series A Preferred Stock, (c) \$0.0918 per share with respect to the Series B Preferred Stock, (d) \$0.417 per share with respect to the Series C Preferred Stock, (e) \$0.5874 per share with respect to the Series D Preferred Stock and (f) \$ 1,176,996 per share with respect to the Series E Preferred Stock shall accrue on such 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) (the “**Accruing Dividends**”). Accruing Dividends shall accrue from day to day, whether or not declared, and shall be cumulative; provided, however, that except as set forth in the following sentence of this Section 1 or in Section 2.1, such Accruing Dividends shall be payable only when, as, and if declared by the Board and the Corporation shall be under no obligation to pay such Accruing Dividends. The Corporation shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Corporation (other than dividends on shares of Common Stock payable in shares of Common Stock) unless (in addition to the obtaining of any consents required elsewhere in this Amended and Restated Certificate of Incorporation) the holders of the Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Preferred Stock in an amount at least equal to the greater of (i) the amount of the aggregate Accruing Dividends then accrued on such share of Preferred Stock and not previously paid and (ii) (A) in the case of a dividend on Common Stock or any class or series that is convertible into Common Stock, that dividend per share of Preferred Stock as would equal the product of (1) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Stock and (2) the number of shares of Common Stock issuable upon conversion of a share of Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (B) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Preferred Stock determined by (1) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such class or series) and (2) multiplying such fraction by an amount equal to the applicable Original Issue Price (as defined below); provided that if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one (1) class or series of capital stock of the Corporation, the dividend payable to the holders of Preferred Stock pursuant to this Section 1 shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest Preferred Stock dividend.

1.2 Definitions.

1.2.1 The “**Accrual Date**” shall mean (a) as to the Junior Preferred Stock, April 6, 2016, (b) as to the Series A-1 Preferred Stock, April 6, 2016, (c) as to the Series A-2 Preferred Stock, September 30, 2016, (d) as to the Series A-3 Preferred Stock, March 31, 2017, (e) as to the Series B Preferred Stock, August 14, 2017, (f) as to the Series C

Preferred Stock, May 25, 2018, (g) as to the Series D-1 Preferred Stock, December 5, 2019, (h) as to the Series D-2 Preferred Stock, January 15, 2020, (i) as to the Series D-3 Preferred Stock, June 2, 2020, (j) as to the Series D-4 Preferred Stock, June 3, 2020 and (k) as to the Series A-4 Preferred Stock and Series E Preferred Stock, the original issuance date of each such share of Series A-4 Preferred Stock or Series E Preferred Stock, as the case may be.

1.2.2 The “**Original Issue Price**” shall mean, (a) as to the Junior Preferred Stock and the Series A Preferred Stock, \$1,00 per share; (b) as to the Series B Preferred Stock, \$ 1.53 per share, (c) as to the Series C Preferred Stock, \$6,95 per share, (d) as to the Series D Preferred Stock, \$9.79 per share and (e) as to the Series E Preferred Stock, \$19,6166 per share, in each case subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the applicable series of Preferred Stock.

## 2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

2.1 Preferential Payments to Holders of Senior Preferred Stock. First, subject to Section 2.4 below, in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock and Series E Preferred Stock (collectively, the “**Senior Preferred Stock**”) then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders or, in the case of a Deemed Liquidation Event (as defined below), out of the consideration payable to stockholders in such Deemed Liquidation Event or the Available Proceeds (as defined below), before any payment shall be made to the holders of Junior Preferred Stock or Common Stock by reason of their ownership thereof, an amount per share equal to the applicable Original Issue Price, plus any Accruing Dividends accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon. If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Senior Preferred Stock the full amount to which they shall be entitled under this Section 2.1, the holders of shares of Senior Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.2 Preferential Payments to Holders of Junior Preferred Stock. Second, in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Junior Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders or, in the case of a Deemed Liquidation Event, out of the consideration payable to stockholders in such Deemed Liquidation Event or the Available Proceeds, before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the applicable Original Issue Price, plus any Accruing Dividends accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon. If upon

any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Junior Preferred Stock the full amount to which they shall be entitled under this Section 2.2, the holders of shares of Junior Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.3 Distribution of Remaining Assets. 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 (as defined below) required to be paid to the holders of shares of Senior Preferred Stock and Junior 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 Senior Preferred Stock pursuant to Section 2.1 or the holders of shares of Junior Preferred Stock pursuant to Section 2.2 or remaining Available Proceeds, as the case may be, shall be distributed among the holders of the shares of Preferred Stock and Common Stock, pro rata based on the number of shares held by each such holder, treating for this purpose all such securities as if they had been converted to Common Stock pursuant to the terms of this Amended and Restated Certificate of Incorporation immediately prior to such liquidation, dissolution or winding up of the Corporation, The aggregate amount which a holder of a share of Preferred Stock is entitled to receive under Sections 2.1, 2.2, 2.3 and 2.4 is hereinafter referred to as the “**Liquidation Amount.**”

#### 2.4 Alternative Series E Liquidation Preference.

2.4.1 Notwithstanding the foregoing, in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or any Deemed Liquidation Event (a “**Series E Alternative Liquidation Event**”) occurring on or prior to the date twelve (12) months after the date on which the first share of Series E Preferred Stock is issued (the “**Original Issue Date**”), each holder of shares of Series E Preferred Stock shall have the option (the “**Alternative Series E Liquidation Option**”), in such holder’s sole discretion, to be paid out of the assets of the Corporation available for distribution to its stockholders or, in the case of a Deemed Liquidation Event, out of the consideration payable to stockholders in such Deemed Liquidation Event or the Available Proceeds, before any payment shall be made to the holders of any other series of Senior Preferred Stock or the holders of Junior Preferred Stock or Common Stock by reason of their ownership thereof, solely an amount per share equal to one and a half times (1.5x) the Original Issue Price of the Series E Preferred Stock, plus any Accruing Dividends accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon (the “**Alternative Series E 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 Series E Preferred Stock the full amount to which they shall be entitled under this Section 2.4, the holders of shares of Series E 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. For the avoidance of doubt, in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or any Deemed Liquidation Event occurring on or prior to the date twelve (12) months after the Original Issue Date, (a) the amounts payable to the holders of Series E Preferred Stock pursuant to this Section 2.4 shall be paid in lieu of, and in full satisfaction of, the Liquidation Amount otherwise payable to such holders in respect of their shares of Series E Preferred Stock and (b) after payment of such amounts to the holders of Series E Preferred Stock in respect thereof, the holders of each other series of Senior Preferred Stock, the holders of Junior Preferred Stock and the holders of Common Stock shall otherwise be entitled to be paid in accordance with Sections 2.1, 2.2 and 2.3 hereof.

2.4.2 In the event of a Series E Alternative Liquidation Event, the Corporation shall provide the holders of Series E Preferred Stock with at least 15 days prior written notice of the consummation of such Series E Alternative Liquidation Event (an “**Alternative Liquidation Event Notice**”), which Alternative Liquidation Event Notice shall include the Liquidation Amount and Alternative Series E Liquidation Amount payable to such holder in connection with such Series E Alternative Liquidation Event. In order to exercise the Alternative Series E Liquidation Option, a holder of Series E Preferred Stock must deliver written notice to the Corporation of such exercise within 10 days of receipt of such Alternative Liquidation Event Notice.

2.4.3 Notwithstanding the above, for purposes of determining the amount each holder of shares of Series E Preferred Stock that has elected to exercise its Alternative Series E Liquidation Option is entitled to receive with respect to a Series E Alternative Liquidation Event, each such holder shall be deemed to have converted (regardless of whether such holder actually converted) such holder’s shares of Series E Preferred Stock into Common Stock at the applicable Conversion Rate (as defined below) immediately prior to the Alternative Series E Liquidation Event if, as a result of an actual conversion, such holder would receive in respect of its Series E Preferred Stock, in the aggregate, an amount greater than the amount that would be distributed to such holder if such holder did not convert such shares of Series E Preferred Stock into Common Stock. If any such holder shall be deemed to have converted shares of Series E 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 Series E Preferred Stock that have not converted (or have not been deemed to have converted) into shares of Common Stock.

## 2.5 Deemed Liquidation Events.

2.5.1 Definition. Each of the following events shall be considered a “**Deemed Liquidation Event**” unless the holders of at least 65% of the outstanding shares of Preferred Stock (the “**Requisite Holders**”) and the Requisite Series E Holders elect otherwise by written notice sent to the Corporation at least 10 days prior to the effective date of any such event:

- (a) a merger or consolidation in which
  - (i) the Corporation is a constituent party; or

(ii) a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation, except any such merger or consolidation involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation; or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation; 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 or disposition (whether by merger, consolidation or otherwise, and whether in a single transaction or a series of related transactions) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly-owned subsidiary of the Corporation.

#### 2.5.2 Effecting a Deemed Liquidation Event.

(a) The Corporation shall not have the power to effect a Deemed Liquidation Event referred to in Section 2.5.1(a)(i) unless the agreement or plan of merger or consolidation for such transaction (the “**Merger Agreement**”) provides that the consideration payable to the stockholders of the Corporation in such Deemed Liquidation Event shall be allocated to the holders of capital stock of the Corporation in accordance with Sections 2.1 through 2.3 and, if applicable, Section 2.4.

(b) In the event of a Deemed Liquidation Event referred to in Section 2.5.1(a)(ii) or 2.5.1(b), if the Corporation does not effect a dissolution of the Corporation under the General Corporation Law within ninety (90) days after such Deemed Liquidation Event, then (i) the Corporation shall send a written notice to each holder of Preferred Stock no later than the ninetieth (90<sup>th</sup>) 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 one hundred twenty (120) days after such Deemed Liquidation Event, the Corporation shall use

the consideration received by the Corporation for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Board of Directors of the Corporation), together with any other assets of the Corporation available for distribution to its stockholders, all to the extent permitted by Delaware law governing distributions to stockholders (the “**Available Proceeds**”), on the one hundred fiftieth (150<sup>th</sup>) day after such Deemed Liquidation Event, 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. The Corporation shall be entitled to use such other reasonable and customary procedures as may be necessary to effect such distribution or redemption. Prior to the distribution or redemption provided for in this Section 2.5.2(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.

2.5.3 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.

2.5.4 Allocation of Escrow and Contingent Consideration. In the event of a Deemed Liquidation Event pursuant to Section 2.5.1(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 through 2.3 and, if applicable, Section 2.4 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 through 2.3 and, if applicable, Section 2.4, after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Section 2.5.4, 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, In addition, in the event of any Deemed Liquidation Event that also constitutes an Alternative Series E Liquidation Event, if any portion of the Alternative Series E Liquidation Amount payable to those holders that have elected to receive the Alternative Series E

Liquidation Amount constitutes Additional Consideration, the Merger Agreement shall provide that (a) the Initial Consideration shall be allocated among the holders of shares of Series E Preferred Stock that have elected to receive the Alternative Series E Liquidation Amount, as if the Initial Consideration were the only consideration payable in connection with such Alternative Series E 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 such holders of shares of Series E Preferred Stock in accordance with Sections 2.1, 2.2 and, if applicable, Section 2.4, after taking into account the previous payment of the Initial Consideration as part of the same transaction.

### 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 Series A Preferred Stock and Series B Preferred Stock voting together on an as-converted basis exclusively and as a separate class, shall be entitled to elect two directors of the Corporation (the “**Series A/B Directors**”), the holders of record of the shares of Series C Preferred Stock, exclusively and as a separate class, shall be entitled to elect one director of the Corporation (the “**Series C Director**”), the holders of record of the shares of Series E Preferred Stock, exclusively and as a separate class, shall be entitled to elect two directors of the Corporation (the “**Series E Directors**,” and together with the Series A/B Directors and the Series C Director, each a “**Preferred Director**” and collectively, the “**Preferred Directors**”) and the holders of record of the shares of Common Stock, exclusively and as a separate class, shall be entitled to elect one director of the Corporation; provided, however, for administrative convenience, the initial Preferred Directors) may also be appointed by the Board in connection with the approval of the initial issuance of Preferred Stock without a separate action by the holders of the Preferred Stock, 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 Preferred Stock or Common Stock, as the case may be, fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors, voting exclusively and as a separate class, pursuant to the first sentence of this Section 3.2, then any directorship not so filled shall remain vacant until such time as the holders of the Preferred Stock or Common Stock, as the case may be, elect a person to fill such directorship by vote or written consent in lieu of a meeting; and no such directorship may be filled by stockholders of the Corporation other than by the stockholders of the Corporation that are entitled to elect a person

to fill such directorship, voting exclusively and as a separate class. The holders of record of the shares of Common Stock and of any other class or series of voting stock (including the Preferred Stock), exclusively and voting together as a single class, shall be entitled to elect the balance of the total number of directors of the Corporation, At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director. Except as otherwise provided in this Section 3.2, a vacancy in any directorship filled by the holders of any class or classes or series shall be filled only by vote or written consent in lieu of a meeting of the holders of such class or classes or series or by any remaining director or directors elected by the holders of such class or classes or series pursuant to this Section 3.2.

3.3 Preferred Stock Protective Provisions. At any time when at least 500,000 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, recapitalization, reclassification, 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.

3.3.1 liquidate, dissolve or wind-up the business and affairs of the Corporation, effect any merger or consolidation or any 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 additional class or series of capital stock, 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 former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at no greater than the original purchase price thereof;

3.3.5 create, or authorize the creation of, or issue, or authorize the issuance of any indebtedness (including a guaranty of the indebtedness of any other person), or permit any subsidiary to take any such action with respect to indebtedness, if the aggregate

indebtedness of the Corporation and its subsidiaries for borrowed money following such action would exceed the amount of indebtedness, if any, most recently approved by the Board in the Corporation's budget and operating plan (the "**Operating Plan**") by more than \$500,000, unless such indebtedness (i) is incurred in connection with equipment leases or to fund the Company's operations and (ii) has received the prior approval of the Board;

3.3.6 pledge or grant a security interest in any assets of the Corporation or any of its subsidiaries, except in the ordinary course of business when all such pledges or grants in the ordinary course of business (excluding pledges or grants expressly approved in the Operating Plan) do not secure indebtedness of more than \$500,000 in the aggregate;

3.3.7 enter into any agreements, including but not limited to leases, that obligate the Corporation or its subsidiaries to make aggregate annual payments in excess of \$500,000, unless approved in the Operating Plan;

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;

3.3.9 increase or decrease the authorized number of directors constituting the Board, change the number of votes entitled to be cast by any director or directors on any matter, or adopt any provision inconsistent with Article Sixth;

3.3.10 increase the number of shares of or other interests issuable by the Corporation pursuant to any equity incentive plan or similar plan or arrangement; or

3.3.11 enter into any agreement to do any of the foregoing that is not expressly made conditional on obtaining the affirmative vote or written consent of the Requisite Holders.

3.4 Series E Protective Provisions. At any time when any shares of Series E 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 E Preferred Stock) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation, recapitalization, reclassification, or otherwise, do any of the following without (in addition to any other vote required by law or this Amended and Restated Certificate of Incorporation) the written consent or affirmative vote of the holders of at least 65% of the outstanding shares of Series E Preferred Stock (the "**Requisite Series E Holders**") given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class,

and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect.

3.4.1 effect any of the acts or transactions set forth in Sections 3.3.1 through 3.3.11 if such act or transaction would adversely affect the powers, preferences or rights of the Series E Preferred Stock in a different and disproportionate manner than the other series of Senior Preferred Stock, it being understood that any reduction in the Liquidation Amount with respect to the Series E Preferred Stock or any reduction in the Alternative Series E Liquidation Amount shall be deemed to adversely affect the rights of the Series E Preferred Stock in a different and disproportionate manner;

3.4.2 (i) create, or authorize the creation of, or issue or obligate itself to issue shares of, or reclassify, any capital stock that ranks senior to the Series E Preferred Stock with respect to its rights, preferences and privileges relating to payments or distributions upon a liquidation, dissolution or winding up of the Corporation or any Deemed Liquidation Event, or (ii) increase the authorized number of shares of Preferred Stock or any additional class or series of capital stock of the Corporation that ranks senior to the Series E Preferred Stock with respect to its rights, preferences and privileges relating to payments or distributions upon a liquidation, dissolution or winding up of the Corporation or any Deemed Liquidation Event; or

3.4.3 effect any merger, consolidation, reorganization, recapitalization, capital stock exchange, stock sale, asset sale or other similar transaction or business combination (or series of related transactions or related business combinations), in each such case, between the Corporation (or any of its subsidiaries) and a blank check company that is a special purpose acquisition company formed solely for the purpose of effecting any of the foregoing transactions with one or more businesses, which for the avoidance of doubt, is deemed to be a “blank check” company under applicable U.S. securities laws whose securities are listed for trading (or as a condition to such transaction will promptly following consummation thereof be listed for trading) on the Nasdaq Stock Market’s National Market, the New York Stock Exchange or another exchange or marketplace approved the Board (a “SPAC” and any such transaction, a “**SPAC Transaction**”) unless (i)(x) the holders of Preferred Stock and Common Stock receive securities in the SPAC Transaction having a value of at least \$19,6166 per share (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like with respect to such Preferred Stock and/or Common Stock, as applicable) of Preferred Stock and Common Stock as of the date of consummation of the SPAC Transaction based on the implied “pre-money” valuation of the Corporation immediately prior to the consummation of the SPAC Transaction and (y) the aggregate cash proceeds available to the continuing operating entity in such SPAC Transaction, including the proceeds from any private placement or other financing conducted concurrently or in connection therewith, are at least \$50,000,000 (net of any discounts, commissions, taxes, fees, or disbursements in connection with such SPAC Transaction) (such SPAC Transaction described in clauses (i)(x) and (i)(y), a “**Qualified SPAC Transaction**”) or (ii) solely in the event the SPAC Transaction is a Deemed Liquidation Event, the consideration distributable to the Corporation’s stockholders in such SPAC Transaction is allocated in accordance with Sections 2.1 through 2.3 and, if applicable, Section 2.4.

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 Conversion Price (as defined below) in effect at the time of conversion. The “**Conversion Price**” applicable to (a) the Junior Preferred Stock and Series A Preferred Stock shall initially be equal to \$1.00; (b) the Series B Preferred Stock shall initially be equal to \$1.53; (c) the Series C Preferred Stock shall initially be equal to \$6.95, (d) the Series D Preferred Stock shall initially be equal to \$9.79 and (e) the Series E Preferred Stock shall initially be equal to \$19,6166, Each such initial Conversion Price, and the rate at which shares of the applicable series of Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

4.1.2 Termination of Conversion Rights. In the event of a liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, the Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Preferred Stock; provided that the foregoing termination of Conversion Rights shall not affect the amounts) otherwise paid or payable in accordance with Sections 2.1 through 2.3 and, if applicable, Section 2.4, 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 (taking into account the aggregate shares of Preferred Stock being converted by the applicable holder of 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, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office



of the transfer agent for the Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent). Such notice shall state such holder's name or the names of the nominees in which such holder wishes the shares of Common Stock to be issued. If required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such notice and, if applicable, certificates (or lost certificate affidavit and agreement) shall be the time of conversion (the "**Conversion Time**"), and the shares of Common Stock issuable upon conversion of the specified shares shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Conversion Time (i) issue and deliver to such holder of Preferred Stock, or to his, her or its nominees, a 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 the applicable series 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 the applicable series of Preferred Stock accordingly.

4.3.4 No Further Adjustment. Upon any such conversion, no adjustment to the Conversion Price shall be made for any declared but unpaid dividends on the Preferred Stock surrendered for conversion or on the Common Stock delivered upon conversion.

4.3.5 Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Preferred Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

#### 4.4 Adjustments to 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 Original Issue Date, other than (1) the following shares of Common Stock and (2) shares of Common Stock deemed issued pursuant to the following Options and Convertible Securities (clauses (1) and (2), collectively, “**Exempted Securities**”):

- (i) 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;
- (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; or

- (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;
- (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;
- (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; or
- (viii) shares of Common Stock, Options or Convertible Securities issued in connection with sponsored research, collaboration, technology license, development, OEM, marketing or other similar agreements or strategic partnerships approved by the Board.

(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.

#### 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:

$$CP2-CP1*(A+B)-(A+C).$$

For purposes of the foregoing formula, the following definitions shall apply:

(a) "CP2" shall mean the Conversion Price in effect immediately after such issuance or deemed issuance of Additional Shares of Common Stock;

(b) “CP1” 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 CP1 (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CP1); 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; 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,

(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, 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 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 2.5, 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 (1) share of Preferred Stock immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Corporation) shall be made in the application of the provisions in this Section 4 with respect to the rights and interests thereafter of the holders of the Preferred Stock, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of 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 (10) 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 (10) 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 (10) days prior to the record date or effective date for the event specified in such notice,

## 5. Mandatory Conversion.

5.1 Trigger Events. Upon either (a) the closing of the sale of shares of Common Stock to the public at a price of at least \$19,6166 per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Common Stock), in a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least \$50,000,000 of proceeds, net of the underwriting discount and commissions, to the Corporation and in connection with such offering the Common Stock is listed for trading on the Nasdaq Stock Market's National Market, the New York Stock Exchange or another exchange or marketplace approved the Board, (b) the closing of a Qualified SPAC Transaction or (c) the date and time, or the occurrence of an event, specified by vote or written consent of (x) the Requisite Holders and (y) the Requisite Series E Holders (the time of such closing or the date and time specified or the time of the event specified in such vote or written consent is referred to herein as the "**Mandatory Conversion Time**"), then (i) all outstanding shares of Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective conversion rate as calculated pursuant to Section 4.1.1 and (ii) such shares may not be reissued by the Corporation,

5.2 Procedural Requirements. All holders of record of shares of Preferred Stock shall be sent written notice of the Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of Preferred Stock pursuant to this Section 5. Such notice need not be sent in advance of the occurrence of the Mandatory Conversion Time. Upon receipt of such notice, each holder of shares of Preferred Stock in certificated form shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Preferred Stock converted pursuant to Section 5, including the rights, if

any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender any certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of any certificate or certificates of such holders (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Section 5.2. As soon as practicable after the Mandatory Conversion Time and, if applicable, the surrender of any certificate or certificates (or lost certificate affidavit and agreement) for Preferred Stock, the Corporation shall (a) issue and deliver to such holder, or to his, her or its nominees, a 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. No Redemption. The shares of Preferred Stock shall not be redeemable.

7. Redeemed or Otherwise Acquired Shares. Any shares of Preferred Stock that are redeemed, converted or otherwise acquired by the Corporation or any of its subsidiaries shall be automatically and immediately cancelled and retired and shall not be reissued, sold or transferred. Neither the Corporation nor any of its subsidiaries may exercise any voting or other rights granted to the holders of Preferred Stock following redemption, conversion or acquisition.

8. Waiver. Except as otherwise set forth herein, 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 Requisite Holders; provided, that any waiver of any of the provisions of Section 2.4 or Section 3.4 shall require the affirmative written consent or vote of the Requisite Series E Holders.

9. Notices. Any notice required or permitted by the provisions of this Article Fourth to be given to a holder of shares of Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission.

**FIFTH:** Subject to any additional vote required by this 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.

**SEVENTH:** Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

**EIGHTH:** Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

**NINTH:** To the fullest extent permitted by law, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the General Corporation Law or any other law of the State of Delaware is amended after approval by the stockholders of this Article Ninth to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law as so amended.

Any repeal or modification of the foregoing provisions of this Article Ninth by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of, or increase the liability of any director of the Corporation with respect to any acts or omissions of such director occurring prior to, such repeal or modification.

**TENTH:** The following indemnification provisions shall apply to the persons enumerated below.

1. Right to Indemnification of Directors and Officers. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (an “**Indemnified Person**”) who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a “**Proceeding**”), by reason of the fact that such person, or a person for whom such person is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, limited liability company, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys’ fees) reasonably incurred by such Indemnified Person in such Proceeding, Notwithstanding the preceding sentence, except as otherwise provided in Section 3 of this Article Tenth, the Corporation shall be required to indemnify an Indemnified Person in connection with a Proceeding (or part thereof) commenced by such Indemnified Person only if the commencement of such Proceeding (or part thereof) by the Indemnified Person was authorized in advance by the Board, For purposes of this Article Tenth, “officers” shall include only officers appointed by the Board.

2. Prepayment of Expenses of Directors and Officers. The Corporation shall pay the expenses (including attorneys’ fees) incurred by an Indemnified Person in defending any Proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the Proceeding shall be

made only upon receipt of an undertaking by the Indemnified Person to repay all amounts advanced if it should be ultimately determined that the Indemnified Person is not entitled to be indemnified under this Article Tenth or otherwise.

3. Claims by Directors and Officers. If a claim for indemnification or advancement of expenses under this Article Tenth is not paid in full within thirty (30) days after a written claim therefor by the Indemnified Person has been received by the Corporation, the Indemnified Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the Indemnified Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

4. Indemnification of Employees and Agents. The Corporation may indemnify and advance expenses to any person who was or is made or is threatened to be made or is otherwise involved in any Proceeding by reason of the fact that such person, or a person for whom such person is the legal representative, is or was an employee or agent of the Corporation or, while an employee or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, limited liability company, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such person in connection with such Proceeding, The ultimate determination of entitlement to indemnification of persons who are non-director or officer employees or agents shall be made in such manner as is determined by the Board in its sole discretion. Notwithstanding the foregoing sentence, the Corporation shall not be required to indemnify a person in connection with a Proceeding initiated by such person if the Proceeding was not authorized in advance by the Board.

5. Advancement of Expenses of Employees and Agents. The Corporation may pay the expenses (including attorneys' fees) incurred by an employee or agent in defending any Proceeding in advance of its final disposition on such terms and conditions as may be determined by the Board.

6. Non-Exclusivity of Rights. The rights conferred on any person by this Article Tenth shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of this Amended and Restated Certificate of Incorporation, the Bylaws of the Corporation, or any agreement, or pursuant to any vote of stockholders or disinterested directors or otherwise,

7. Other Indemnification. The Corporation's obligation, if any, to indemnify any person who was or is serving at its request as a director, officer or employee of another corporation, partnership, limited liability company, joint venture, trust, organization or other enterprise shall be reduced by any amount such person may collect as indemnification from such other corporation, partnership, limited liability company, joint venture, trust, organization or other enterprise.

8. Insurance. The Board may, to the full extent permitted by applicable law as it presently exists, or may hereafter be amended from time to time, authorize an appropriate officer

or officers to purchase and maintain at the Corporation's expense insurance: (a) to indemnify the Corporation for any obligation which it incurs as a result of the indemnification of directors, officers and employees under the provisions of this Article Tenth; and (b) to indemnify or insure directors, officers and employees against liability in instances in which they may not otherwise be indemnified by the Corporation under the provisions of this Article Tenth.

9. Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article Tenth shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification. The rights provided hereunder shall inure to the benefit of any Indemnified Person and such person's heirs, executors and administrators.

**ELEVENTH:** The Corporation renounces, to the fullest extent permitted by law, any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An "**Excluded Opportunity**" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of (i) any director of the Corporation who is not an employee of the Corporation or any of its subsidiaries, or (ii) any holder of Preferred Stock or any partner, member, director, stockholder, employee, affiliate or agent of any such holder, other than someone who is an employee of the Corporation or any of its subsidiaries (collectively, the persons referred to in clauses (i) and (ii) are "**Covered Persons**"), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person's capacity as a director of the Corporation while such Covered Person is performing services in such capacity. Any repeal or modification of this Article Eleventh will only be prospective and will not affect the rights under this Article Eleventh in effect at the time of the occurrence of any actions or omissions to act giving rise to liability. Notwithstanding anything to the contrary contained elsewhere in this Amended and Restated Certificate of Incorporation, the affirmative vote of the Requisite Holders will be required to amend or repeal, or to adopt any provisions inconsistent with this Article Eleventh.

**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 (10) 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 (in addition to any other consent required under this Amended and Restated Certificate of Incorporation), such repurchase may be made without regard to any “preferential dividends arrears amount” or “preferential rights amount” (as those terms are defined in Section 500 of the California Corporations Code), Accordingly, for purposes of making any calculation under California Corporations Code Section 500 in connection with such repurchase, the amount of any “preferential dividends arrears amount” or “preferential rights amount” (as those terms are defined therein) shall be deemed to be zero (0).

\* \* \*

4. That this Amended and Restated Certificate of Incorporation, which restates and integrates and further amends the provisions of this corporation’s Certificate of Incorporation, has been duly adopted in accordance with Sections 241 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 16th day of October, 2020.

By: /s/ Sean McClain

Sean McClain

President

[SIGNATURE PAGE TO AMENDED AND RESTATED CERTIFICATE OF INCORPORATION]



# Delaware

The First State

***I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF “ABSCI CORPORATION”, FILED IN THIS OFFICE ON THE EIGHTEENTH DAY OF FEBRUARY, A.D. 2021, AT 9:06 O’CLOCK P.M.***

**CERTIFICATE OF AMENDMENT  
TO  
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION  
OF  
ABSCI CORPORATION**

AbSci Corporation (the “**Corporation**”), a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware,

**DOES HEREBY CERTIFY:**

1. That the Board of Directors of the Corporation has duly adopted resolutions pursuant to Section 242 of the General Corporation Law of the State of Delaware setting forth a proposed amendment to the existing Amended and Restated Certificate of Incorporation of the Corporation (the “**Certificate of Incorporation**”), and declaring said amendment to be advisable. This amendment amends the Certificate of Incorporation as follows:

2) That the first paragraph of Article FOURTH of the Certificate of Incorporation be amended and restated in its entirety to read as follows:

“**FOURTH:** The total number of shares of all classes of stock which the Corporation shall have authority to issue is (i) 22,300,000 shares of Common Stock, \$0.0001 par value per share (“**Common Stock**”) and (ii) 14,099,936 shares of Preferred Stock, \$0.0001 par value per share (“**Preferred Stock**”). “

2) That the first paragraph of Part B of Article FOURTH of the Certificate of Incorporation be amended and restated in its entirety to read as follows:

“ B. PREFERRED STOCK

Of the 14,099,936 shares of the authorized Preferred Stock of the Corporation, (i) 1,573,547 shares are hereby designated “**Junior Preferred Stock**”); (ii) (w) 2,200,000 shares are hereby designated “**Series A-1 Preferred Stock**,” (x) 500,000 shares are hereby designated “**Series A-2 Preferred Stock**,” (y) 1,500,000 shares are hereby designated “**Series A-3 Preferred Stock**,” and (z) 93,007 shares are hereby designated “**Series A-4 Preferred Stock**,” and collectively with the Series A-1 Preferred Stock, Series A-2 Preferred Stock and Series A-3 Preferred Stock, the “**Series A Preferred Stock**”; (iii) 1,372,549 shares are hereby designated “**Series B Preferred Stock**”, (iv) 1,760,252 shares are hereby designated “**Series C Preferred Stock**”, (v) (w) 1,058,224 shares are hereby designated “**Series D-1 Preferred Stock**,” (x) 102,146 shares are hereby designated “**Series D-2 Preferred Stock**,” (y) 341,161 shares are hereby designated “**Series D-3 Preferred Stock**,” and (z) 30,645 shares are hereby designated “**Series D-4 Preferred Stock**,” and collectively with the Series D-1 Preferred Stock, Series D-2 Preferred Stock and Series D-3 Preferred Stock, the “**Series D Preferred Stock**”; and (vi) 3,568,405 shares are hereby designated “**Series E Preferred Stock**,” in each case with the following rights, preferences, powers, privileges and restrictions, qualifications and limitations. Unless otherwise indicated, references to “sections” or “subsections” in this Part B of this Article Fourth refer to sections and subsections of Part B of this Article Fourth, References to “Preferred

Stock” mean the Junior Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock and Series E Preferred Stock,”

2. That the requisite stockholders of the Corporation have duly approved said proposed amendment by written consent in accordance with Sections 228 and 242 of the General Corporation Law of the State of Delaware.

\* \* \*

IN WITNESS WHEREOF, the undersigned authorized officer of the Corporation has executed this Certificate of Amendment to Amended and Restated Certificate of Incorporation as of February 18,2021.

**ABSCI CORPORATION**

By: /s/ Sean McClain

Name: Sean McClain

Title: President and Chief Executive Officer

*[Signature Page to Certificate of Amendment]*

**BY-LAWS**  
**of**  
**ABSCI CORPORATION**  
**(the “Corporation”)**

**Article I - Stockholders**

1. Annual Meeting. The annual meeting of stockholders shall be held for the election of directors each year at such place (if any), date and time as shall be designated by the Board of Directors of the Corporation (the “Board of Directors”). Any other proper business may be transacted at the annual meeting.

2. Special Meetings. Special meetings of stockholders may be called at any time by the Chief Executive Officer, if one is elected, or, if there is no Chief Executive Officer, a President, or by the majority of the Board of Directors, or by the affirmative vote of the stockholders holding at least a majority of the outstanding capital stock of the Corporation (on an as-converted-to Common Stock basis), or by the Requisite Holders (as defined in the Certificate of Incorporation). The call for the meeting shall state the place, date, hour and purposes of the meeting. Only the purposes specified in the notice of special meeting shall be considered or dealt with at such special meeting.

3. Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a notice stating the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present and vote at such meeting, and, in the case of a special meeting, the purpose or purposes of the meeting, shall be given by the Secretary (or other person authorized by these By-laws or by law) not less than ten (10) nor more than sixty (60) days before the meeting to each stockholder entitled to vote thereat and to each stockholder who, under the Certificate of Incorporation or under these By-laws is entitled to such notice. If mailed, notice is given when deposited in the mail, postage prepaid, directed to such stockholder at such stockholder’s address as it appears in the records of the Corporation. Without limiting the manner by which notice otherwise may be effectively given to stockholders, any notice to stockholders may be given by electronic transmission to the extent permitted by Section 232 of the General Corporation Law of the State of Delaware (the “DGCL”).

If a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place, if any, and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken, except that 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, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

4. Quorum. The holders of a not less than sixty-seven percent of the voting power of the outstanding capital stock of the Corporation (on an as-converted-to Common Stock basis),

outstanding and entitled to vote at a meeting, present in person or represented by proxy, shall constitute a quorum. Any meeting may be adjourned from time to time by more than fifty percent (50%) of the votes properly cast upon the question once a quorum is present at a meeting. The stockholders present at a duly constituted meeting may continue to transact business until adjournment notwithstanding the withdrawal of enough stockholders to reduce the voting shares below a quorum.

5. Voting and Proxies. Except as otherwise provided by the Certificate of Incorporation or by law, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such stockholder which has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by either written proxy or by a transmission permitted by Section 212(c) of the DGCL, but no proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period or is irrevocable and coupled with an interest. Proxies shall be filed with the Secretary of the meeting, or of any adjournment thereof. Except as otherwise limited therein, proxies shall entitle the persons authorized thereby to vote at any adjournment of such meeting.

6. Action at Meeting. When a quorum is present, any matter before the meeting shall be decided by vote of the holders of a majority of the voting power of the shares of capital stock voting on such matter unless a different or minimum vote is required by any law or regulation applicable to the Corporation or its securities, by the rules or regulations of any stock exchange applicable to the Corporation, by the Certificate of Incorporation or by these By-laws. Any election of directors by stockholders shall be determined by a plurality of the votes cast, except where a larger vote is required by law, by the Certificate of Incorporation or by these By-laws. The Corporation shall not directly or indirectly vote any share of its own stock; provided, however, that the Corporation may vote shares which it holds in a fiduciary capacity to the extent permitted by law.

7. Presiding Officer. Meetings of stockholders shall be presided over by the Chairman of the Board, if one is elected, or in his or her absence, the Vice Chairman of the Board, if one is elected, or if neither is elected or in their absence, a President. The Board of Directors shall have the authority to appoint a temporary presiding officer to serve at any meeting of the stockholders if the Chairman of the Board, the Vice Chairman of the Board or a President is unable to do so for any reason.

8. Conduct of Meetings. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the presiding officer of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the presiding officer of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting

and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the presiding officer of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

9. Action without a Meeting. Unless otherwise provided in the Certificate of Incorporation, any action required or permitted by law to be taken at any annual or special meeting of stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office, by hand or by certified mail, return receipt requested, or to the Corporation's principal place of business or to the officer of the Corporation having custody of the minute book. No written consent shall be effective unless, within sixty (60) days of the first date on which a written consent is delivered to the Corporation pursuant to these By-laws, written consents signed by a sufficient number of stockholders entitled to take action are delivered to the Corporation in the manner set forth in these By-laws. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. The Secretary of the Corporation shall provide such notice.

10. Stockholder Lists. The Corporation shall prepare, 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 of each stockholder and the number of shares registered in the name of each stockholder. Nothing contained in this Section 10 shall require the Corporation to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, for a period of at least ten (10) days prior to the meeting in the manner provided by law. The list shall also be open to the examination of any stockholder during the whole time of the meeting as provided by law.

## **Article II - Directors**

1. Powers. The business of the Corporation shall be managed by or under the direction of a Board of Directors who may exercise all the powers of the Corporation except as otherwise provided by law, by the Certificate of Incorporation or by these By-laws. In the event of a vacancy in the Board of Directors, the remaining directors, except as otherwise provided by law, may exercise the powers of the full Board until the vacancy is filled.

2. Number and Qualification. Unless otherwise provided in the Certificate of Incorporation or in these By-laws, the number of directors which shall constitute the whole board shall be determined from time to time by resolution of the Board of Directors. Directors need not be stockholders.

3. Vacancies; Reduction of Board. A majority of the directors then in office, although less than a quorum, or a sole remaining Director, may fill vacancies in the Board of Directors occurring for any reason and newly created directorships resulting from any increase in the authorized number of directors. In lieu of filling any vacancy, the Board of Directors may reduce the number of directors.

4. Tenure. Except as otherwise provided by law, by the Certificate of Incorporation or by these By-laws, directors shall hold office until their successors are elected and qualified or until their earlier resignation or removal. Any director may resign at any time upon notice given in writing or by electronic transmission to the Corporation. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

5. Removal. To the extent permitted by law, a director may be removed from office with or without cause by vote of the holders of a majority of the voting power of the shares of stock entitled to vote in the election of directors.

6. Meetings. Regular meetings of the Board of Directors may be held without notice at such time, date and place as the Board of Directors may from time to time determine. Special meetings of the Board of Directors may be called, orally or in writing, by the Chief Executive Officer, if one is elected, or, if there is no Chief Executive Officer, the President, or by the Chair of the Board of Directors, or by a majority of the Board of Directors, designating the time, date and place thereof. Directors may participate in meetings of the Board of Directors by means of conference telephone or other communications equipment by means of which all directors participating in the meeting can hear each other, and participation in a meeting in accordance herewith shall constitute presence in person at such meeting.

7. Notice of Meetings. Notice of the time, date and place of all special meetings of the Board of Directors shall be given to each director by the Secretary, or Assistant Secretary, or in case of the death, absence, incapacity or refusal of such persons, by the officer or one of the directors calling the meeting. Notice shall be given to each director in person, by telephone, or by facsimile, electronic mail or other form of electronic communications, sent to such director's business or home address at least twenty-four (24) hours in advance of the meeting, or by written notice mailed to such director's business or home address at least seventy-two (72) hours in advance of the meeting.

8. Quorum. At any meeting of the Board of Directors, the greater of (a) a majority of the directors then in office at the time quorum is to be determined and (b) one-third of the total number of directors shall constitute a quorum for the transaction of business. Less than a quorum may adjourn any meeting from time to time and the meeting may be held as adjourned without further notice.

9. Action at Meeting. At any meeting of the Board of Directors at which a quorum is present, unless otherwise provided in the following sentence, a majority of the directors present may take any action on behalf of the Board of Directors, unless a larger number is required by law, by the Certificate of Incorporation or by these By-laws. So long as there are two (2) or



fewer Directors, any action to be taken by the Board of Directors shall require the approval of all Directors.

10. Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all members of the Board of Directors consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the records of the meetings of the Board of Directors. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

11. Committees. The Board of Directors may establish one or more committees, each committee to consist of one or more directors. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

Any such committee, to the extent permitted by law and 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: (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 By-laws.

Except as the Board of Directors may otherwise determine, any such committee may make rules for the conduct of its business, but in the absence of such rules its business shall be conducted so far as possible in the same manner as is provided in these By-laws for the Board of Directors. All members of such committees shall hold their committee offices at the pleasure of the Board of Directors, and the Board of Directors may abolish any committee at any time.

### **Article III - Officers**

1. Enumeration. The officers of the Corporation shall consist of one or more Presidents (who, if there is more than one, shall be referred to as Co-Presidents), a Treasurer, a Secretary, and such other officers, including, without limitation, a Chief Executive Officer and one or more Vice Presidents (including Executive Vice Presidents or Senior Vice Presidents), Assistant Vice Presidents, Assistant Treasurers and Assistant Secretaries, as the Board of Directors may determine. The Board of Directors may elect from among its members a Chairman of the Board and a Vice Chairman of the Board.

2. Election. The Presidents, Treasurer and Secretary shall be elected annually by the Board of Directors at their first meeting following the annual meeting of stockholders. Other officers may be chosen by the Board of Directors at such meeting or at any other meeting.

3. Qualification. No officer need be a stockholder or Director. Any two or more offices may be held by the same person. Any officer may be required by the Board of Directors to give bond for the faithful performance of such officer's duties in such amount and with such sureties as the Board of Directors may determine.

4. Tenure. Except as otherwise provided by the Certificate of Incorporation or by these By-laws, each of the officers of the Corporation shall hold office until the first meeting of the Board of Directors following the next annual meeting of stockholders and until such officer's successor is elected and qualified or until such officer's earlier resignation or removal. Any officer may resign by delivering his or her written resignation to the Corporation, and such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

5. Removal. The Board of Directors may remove any officer with or without cause by a vote of a majority of the directors then in office.

6. Vacancies. Any vacancy in any office may be filled for the unexpired portion of the term by the Board of Directors.

7. Chairman of the Board and Vice Chairman. Unless otherwise provided by the Board of Directors, the Chairman of the Board of Directors, if one is elected, shall preside, when present, at all meetings of the stockholders and the Board of Directors. The Chairman of the Board shall have such other powers and shall perform such duties as the Board of Directors may from time to time designate.

Unless otherwise provided by the Board of Directors, in the absence of the Chairman of the Board, the Vice Chairman of the Board, if one is elected, shall preside, when present, at all meetings of the stockholders and the Board of Directors. The Vice Chairman of the Board shall have such other powers and shall perform such duties as the Board of Directors may from time to time designate.

8. Chief Executive Officer. The Chief Executive Officer, if one is elected, shall have such powers and shall perform such duties as the Board of Directors may from time to time designate.

9. Presidents. The Presidents shall, subject to the direction of the Board of Directors, each have general supervision and control of the Corporation's business and any action that would typically be taken by a President may be taken by any Co-President. If there is no Chairman of the Board or Vice Chairman of the Board, a President shall preside, when present, at all meetings of stockholders and the Board of Directors. The Presidents shall have such other powers and shall perform such duties as the Board of Directors may from time to time designate.

10. Vice Presidents and Assistant Vice Presidents. Any Vice President (including any Executive Vice President or Senior Vice President) and any Assistant Vice President shall have such powers and shall perform such duties as the Board of Directors may from time to time designate.

11. Treasurer and Assistant Treasurers. The Treasurer shall, subject to the direction of the Board of Directors, have general charge of the financial affairs of the Corporation and shall cause to be kept accurate books of account. The Treasurer shall have custody of all funds, securities, and valuable documents of the Corporation, except as the Board of Directors may otherwise provide. The Treasurer shall have such other powers and shall perform such duties as the Board of Directors may from time to time designate.

Any Assistant Treasurer shall have such powers and perform such duties as the Board of Directors may from time to time designate.

12. Secretary and Assistant Secretaries. The Secretary shall record the proceedings of all meetings of the stockholders and the Board of Directors (including committees of the Board of Directors) in books kept for that purpose. In the absence of the Secretary from any such meeting an Assistant Secretary, or if such person is absent, a temporary secretary chosen at the meeting, shall record the proceedings thereof. The Secretary shall have charge of the stock ledger (which may, however, be kept by any transfer or other agent of the Corporation) and shall have such other duties and powers as may be designated from time to time by the Board of Directors.

Any Assistant Secretary shall have such powers and perform such duties as the Board of Directors may from time to time designate.

13. Other Powers and Duties. Subject to these By-laws, each officer of the Corporation shall have in addition to the duties and powers specifically set forth in these By-laws, such duties and powers as are customarily incident to such officer's office, and such duties and powers as may be designated from time to time by the Board of Directors.

#### **Article IV - Capital Stock**

1. Certificates of Stock. The shares of the Corporation shall be represented by certificates, *provided* that the Board may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Each stockholder shall be entitled to a certificate of the capital stock of the Corporation in such form as may from time to time be prescribed by the Board of Directors. Any such certificate shall be signed by any two authorized officers of the Corporation (it being understood that each of the Chairman of the Board, Vice Chairman of the Board, the Chief Executive Officer, President, Vice President, Treasurer, Assistant Treasurer, Secretary and Assistant Secretary shall be an authorized officer for such purpose). Such signatures may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed on such certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the time of its issue. Every certificate for shares of stock which are subject to any restriction on transfer and every certificate issued when the Corporation is authorized to issue more than one class or series of stock shall contain such legend with respect thereto as is required by law.

2. Transfers. Subject to any restrictions on transfer, shares of stock may be transferred on the books of the Corporation by the surrender to the Corporation or its transfer agent of the certificate therefor properly endorsed or accompanied by a written assignment or power of attorney properly executed, with transfer stamps (if necessary) affixed, and with such proof of the authenticity of signature as the Corporation or its transfer agent may reasonably require.

3. Record Holders. Except as may otherwise be required by law, by the Certificate of Incorporation or by these By-laws, the Corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect thereto, regardless of any transfer, pledge or other disposition of such stock, until the shares have been transferred on the books of the Corporation in accordance with the requirements of these By-laws.

It shall be the duty of each stockholder to notify the Corporation of such stockholder's post office address.

4. 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 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, in advance, a record date, which shall not precede the date on which it is established, and which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, more than ten (10) days after the date on which the record date for stockholder consent without a meeting is established, nor more than sixty (60) days prior to any other action. In such case only stockholders of record on such record date shall be so entitled notwithstanding any transfer of stock on the books of the Corporation after the record date.

If no record date is fixed, (a) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held, (b) the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is necessary, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in this state, to its principal place of business, or to an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded, and (c) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

5. Lost Certificates. The Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that

may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

## **Article V - Indemnification**

1. **Definitions.** For purposes of this Article V:

(a) “Corporate Status” describes the status of a person who is serving or has served (i) as a Director of the Corporation, (ii) as an Officer of the Corporation, (iii) as a Non-Officer Employee of the Corporation, or (iv) as a director, partner, trustee, officer, employee or agent of any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan, foundation, association, organization or other legal entity which such person is or was serving at the request of the Corporation. For purposes of this Section 1(a), a Director, Officer or Non-Officer Employee of the Corporation who is serving or has served as a director, partner, trustee, officer, employee or agent of a Subsidiary shall be deemed to be serving at the request of the Corporation. Notwithstanding the foregoing, “Corporate Status” shall not include the status of a person who is serving or has served as a director, officer, employee or agent of a constituent corporation absorbed in a merger or consolidation transaction with the Corporation with respect to such person’s activities prior to said transaction, unless specifically authorized by the Board of Directors or the stockholders of the Corporation;

(b) “Director” means any person who serves or has served the Corporation as a director on the Board of Directors of the Corporation;

(c) “Disinterested Director” means, with respect to each Proceeding in respect of which indemnification is sought hereunder, a Director of the Corporation who is not and was not a party to such Proceeding;

(d) “Expenses” means all reasonable attorneys fees, retainers, court costs, transcript costs, fees of expert witnesses, private investigators and professional advisors (including, without limitation, accountants and investment bankers), travel expenses, duplicating costs, printing and binding costs, costs of preparation of demonstrative evidence and other courtroom presentation aids and devices, costs incurred in connection with document review, organization, imaging and computerization, telephone charges, postage, delivery service fees, and all other disbursements, costs or expenses of the type customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, settling or otherwise participating in, a Proceeding;

(e) “Liabilities” means judgments, damages, liabilities, losses, penalties, excise taxes, fines and amounts paid in settlement;

(f) “Non-Officer Employee” means any person who serves or has served as an employee or agent of the Corporation, but who is not or was not a Director or Officer;

(g) “Officer” means any person who serves or has served the Corporation as an officer of the Corporation appointed by the Board of Directors of the Corporation;

(h) “Proceeding” means any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, inquiry, investigation, administrative hearing or other proceeding, whether civil, criminal, administrative, arbitral or investigative; and

(i) “Subsidiary” shall mean any corporation, partnership, limited liability company, joint venture, trust or other entity of which the Corporation owns (either directly or through or together with another Subsidiary of the Corporation) either (i) a general partner, managing member or other similar interest or (ii) (A) 50% or more of the voting power of the voting capital equity interests of such corporation, partnership, limited liability company, joint venture or other entity, or (B) 50% or more of the outstanding voting capital stock or other voting equity interests of such corporation, partnership, limited liability company, joint venture or other entity.

2. Indemnification of Directors and Officers. Subject to the operation of Section 4 of this Article V of these By-laws, each Director and Officer shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), and to the extent authorized in this Section 2.

(a) Actions, Suits and Proceedings Other than By or In the Right of the Corporation. Each Director and Officer shall be indemnified and held harmless by the Corporation against any and all Expenses and Liabilities that are incurred or paid by such Director or Officer or on such Director’s or Officer’s behalf in connection with any Proceeding or any claim, issue or matter therein (other than an action by or in the right of the Corporation), which such Director or Officer is, or is threatened to be made, a party to or participant in by reason of such Director’s or Officer’s Corporate Status, if such Director or Officer acted in good faith and in a manner such Director or Officer reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful.

(b) Actions, Suits and Proceedings By or In the Right of the Corporation. Each Director and Officer shall be indemnified and held harmless by the Corporation against any and all Expenses that are incurred by such Director or Officer or on such Director’s or Officer’s behalf in connection with any Proceeding or any claim, issue or matter therein by or in the right of the Corporation, which such Director or Officer is, or is threatened to be made, a party to or participant in by reason of such Director’s or Officer’s Corporate Status, if such Director or Officer acted in good faith and in a manner such Director or Officer reasonably believed to be in or not opposed to the best interests of the Corporation; provided, however, that no indemnification shall be

made under this Section 2(b) in respect of any claim, issue or matter as to which such Director or Officer shall have been finally adjudged by a court of competent jurisdiction to be liable to the Corporation, unless, and only to the extent that, the Court of Chancery or another court in which such Proceeding was brought shall determine upon application that, despite adjudication of liability, but in view of all the circumstances of the case, such Director or Officer is fairly and reasonably entitled to indemnification for such Expenses that such court deems proper.

(c) Survival of Rights. The rights of indemnification provided by this Section 2 shall continue as to a Director or Officer after he or she has ceased to be a Director or Officer and shall inure to the benefit of his or her heirs, executors, administrators and personal representatives.

(d) Actions by Directors or Officers. Notwithstanding the foregoing, the Corporation shall indemnify any Director or Officer seeking indemnification in connection with a Proceeding initiated by such Director or Officer only if such Proceeding (including any parts of such Proceeding not initiated by such Director or Officer) was authorized in advance by the Board of Directors of the Corporation, unless such Proceeding was brought to enforce such Officer's or Director's rights to indemnification or, in the case of Directors, advancement of Expenses under these By-laws in accordance with the provisions set forth herein.

3. Indemnification of Non-Officer Employees. Subject to the operation of Section 4 of this Article V of these By-laws, each Non-Officer Employee may, in the discretion of the Board of Directors of the Corporation, be indemnified by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended, against any or all Expenses and Liabilities that are incurred by such Non-Officer Employee or on such Non-Officer Employee's behalf in connection with any threatened, pending or completed Proceeding, or any claim, issue or matter therein, which such Non-Officer Employee is, or is threatened to be made, a party to or participant in by reason of such Non-Officer Employee's Corporate Status, if such Non-Officer Employee acted in good faith and in a manner such Non-Officer Employee reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The rights of indemnification provided by this Section 3 shall exist as to a Non-Officer Employee after he or she has ceased to be a Non-Officer Employee and shall inure to the benefit of his or her heirs, personal representatives, executors and administrators. Notwithstanding the foregoing, the Corporation may indemnify any Non-Officer Employee seeking indemnification in connection with a Proceeding initiated by such Non-Officer Employee only if such Proceeding was authorized in advance by the Board of Directors of the Corporation.

4. Determination. Unless ordered by a court, no indemnification shall be provided pursuant to this Article V to a Director, to an Officer or to a Non-Officer Employee unless a determination shall have been made that such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal Proceeding, such person had no reasonable cause to believe his or

her conduct was unlawful. Such determination shall be made by (a) a majority vote of the Disinterested Directors, even though less than a quorum of the Board of Directors, (b) a committee comprised of Disinterested Directors, such committee having been designated by a majority vote of the Disinterested Directors (even though less than a quorum), (c) if there are no such Disinterested Directors, or if a majority of Disinterested Directors so directs, by independent legal counsel in a written opinion, or (d) by the stockholders of the Corporation.

5. Advancement of Expenses to Directors Prior to Final Disposition.

(a) The Corporation shall advance all Expenses incurred by or on behalf of any Director in connection with any Proceeding in which such Director is involved by reason of such Director's Corporate Status within thirty (30) days after the receipt by the Corporation of a written statement from such Director requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by such Director and shall be preceded or accompanied by an undertaking by or on behalf of such Director to repay any Expenses so advanced if it shall ultimately be determined that such Director is not entitled to be indemnified against such Expenses. Notwithstanding the foregoing, the Corporation shall advance all Expenses incurred by or on behalf of any Director seeking advancement of expenses hereunder in connection with a Proceeding initiated by such Director only if such Proceeding (including any parts of such Proceeding not initiated by such Director) was (i) authorized by the Board of Directors of the Corporation, or (ii) brought to enforce such Director's rights to indemnification or advancement of Expenses under these By-laws.

(b) If a claim for advancement of Expenses hereunder by a Director is not paid in full by the Corporation within thirty (30) days after receipt by the Corporation of documentation of Expenses and the required undertaking, such Director may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and if successful in whole or in part, such Director shall also be entitled to be paid the expenses of prosecuting such claim. The failure of the Corporation (including its Board of Directors or any committee thereof, independent legal counsel, or stockholders) to make a determination concerning the permissibility of such advancement of Expenses under this Article V shall not be a defense to an action brought by a Director for recovery of the unpaid amount of an advancement claim and shall not create a presumption that such advancement is not permissible. The burden of proving that a Director is not entitled to an advancement of expenses shall be on the Corporation.

(c) In any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that the Director has not met any applicable standard for indemnification set forth in the DGCL.



6. Advancement of Expenses to Officers and Non-Officer Employees Prior to Final Disposition.

(a) The Corporation may, at the discretion of the Board of Directors of the Corporation, advance any or all Expenses incurred by or on behalf of any Officer or any Non-Officer Employee in connection with any Proceeding in which such person is involved by reason of his or her Corporate Status as an Officer or Non-Officer Employee upon the receipt by the Corporation of a statement or statements from such Officer or Non-Officer Employee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by such Officer or Non-Officer Employee and shall be preceded or accompanied by an undertaking by or on behalf of such person to repay any Expenses so advanced if it shall ultimately be determined that such Officer or Non-Officer Employee is not entitled to be indemnified against such Expenses.

(b) In any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that the Officer or Non-Officer Employee has not met any applicable standard for indemnification set forth in the DGCL.

7. Contractual Nature of Rights.

(a) The provisions of this Article V shall be deemed to be a contract between the Corporation and each Director and Officer entitled to the benefits hereof at any time while this Article V is in effect, in consideration of such person's past or current and any future performance of services for the Corporation. Neither amendment, repeal or modification of any provision of this Article V nor the adoption of any provision of the Certificate of Incorporation inconsistent with this Article V shall eliminate or reduce any right conferred by this Article V in respect of any act or omission occurring, or any cause of action or claim that accrues or arises or any state of facts existing, at the time of or before such amendment, repeal, modification or adoption of an inconsistent provision (even in the case of a proceeding based on such a state of facts that is commenced after such time), and all rights to indemnification and advancement of Expenses granted herein or arising out of any act or omission shall vest at the time of the act or omission in question, regardless of when or if any proceeding with respect to such act or omission is commenced. The rights to indemnification and to advancement of expenses provided by, or granted pursuant to, this Article V shall continue notwithstanding that the person has ceased to be a director or officer of the Corporation and shall inure to the benefit of the estate, heirs, executors, administrators, legatees and distributees of such person.

(b) If a claim for indemnification hereunder by a Director or Officer is not paid in full by the Corporation within sixty (60) days after receipt by the Corporation of a written claim for indemnification, such Director or Officer may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim, and if successful in whole or in part, such Director or Officer shall also be entitled to be paid the expenses of prosecuting such claim. The failure of the Corporation (including its Board of Directors or any committee thereof, independent legal counsel, or stockholders) to

make a determination concerning the permissibility of such indemnification under this Article V shall not be a defense to an action brought by a Director or Officer for recovery of the unpaid amount of an indemnification claim and shall not create a presumption that such indemnification is not permissible. The burden of proving that a Director or Officer is not entitled to indemnification shall be on the Corporation.

(c) In any suit brought by a Director or Officer to enforce a right to indemnification hereunder, it shall be a defense that such Director or Officer has not met any applicable standard for indemnification set forth in the DGCL.

8. Non-Exclusivity of Rights. The rights to indemnification and advancement of Expenses set forth in this Article V shall not be exclusive of any other right which any Director, Officer, or Non-Officer Employee may have or hereafter acquire under any statute, provision of the Certificate or these By-laws, agreement, vote of stockholders or Disinterested Directors or otherwise.

9. Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any Director, Officer or Non-Officer Employee against any liability of any character asserted against or incurred by the Corporation or any such Director, Officer or Non-Officer Employee, or arising out of any such person's Corporate Status, whether or not the Corporation would have the power to indemnify such person against such liability under the DGCL or the provisions of this Article V.

10. Other Indemnification. The Corporation's obligation, if any, to indemnify or provide advancement of Expenses to any person under this Article V as a result of such person serving, at the request of the Corporation, as a director, partner, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount such person may collect as indemnification or advancement of Expenses from such other corporation, partnership, joint venture, trust, employee benefit plan or enterprise (the "Primary Indemnitor"). Any indemnification or advancement of Expenses under this Article V owed by the Corporation as a result of a person serving, at the request of the Corporation, as a director, partner, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall only be in excess of, and shall be secondary to, the indemnification or advancement of Expenses available from the applicable Primary Indemnitor(s) and any applicable insurance policies.

#### **Article VI - Miscellaneous Provisions**

1. Fiscal Year. Except as otherwise determined by the Board of Directors, the fiscal year of the Corporation shall end on December 31 of each year.

2. Seal. The Board of Directors shall have power to adopt and alter the seal of the Corporation.

3. Execution of Instruments. Subject to any limitations which may be set forth in a resolution of the Board of Directors, all deeds, leases, transfers, contracts, bonds, notes and other obligations to be entered into by the Corporation in the ordinary course of its business without

director action may be executed on behalf of the Corporation by, a President, or by any other officer, employee or agent of the Corporation as the Board of Directors may authorize.

4. Voting of Securities. Unless the Board of Directors otherwise provides, a President, any Vice President or the Treasurer may waive notice of and act on behalf of this Corporation, or appoint another person or persons to act as proxy or attorney in fact for this Corporation with or without discretionary power and/or power of substitution, at any meeting of stockholders or shareholders of any other corporation or organization (or with respect to any action by written consent in lieu of a meeting), any of whose securities are held by this Corporation.

5. Resident Agent. The Board of Directors may appoint a resident agent upon whom legal process may be served in any action or proceeding against the Corporation.

6. Corporate Records. The original or attested copies of the Certificate of Incorporation, By-laws and records of all meetings of the incorporators, stockholders and the Board of Directors and the stock and transfer records, which shall contain the names of all stockholders, their record addresses and the amount of stock held by each, shall be kept at the principal office of the Corporation, at the office of its counsel, or at an office of its transfer agent.

7. Certificate of Incorporation. All references in these By-laws to the Certificate of Incorporation shall be deemed to refer to the Certificate of Incorporation of the Corporation, as amended and in effect from time to time.

8. Amendments. These By-laws may be altered, amended or repealed, and new By-laws may be adopted, by the stockholders or by the Board of Directors; provided, that the Board of Directors may not alter, amend or repeal any provision of these By-laws which by law, by the Certificate of Incorporation or by these By-laws requires action by the stockholders.

9. Waiver of Notice. Whenever notice is required to be given under any provision of these By-laws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any meeting needs to be specified in any written waiver or any waiver by electronic transmission..

Adopted October 8, 2020

## INVESTORS' RIGHTS AGREEMENT

This Investors' Rights Agreement (this "**Agreement**"), is made as of October 19, 2020, by and among AbSci Corporation, a Delaware corporation (the "**Company**"), and each of the investors listed on Schedule A hereto, each of which is referred to in this Agreement as an "**Investor**."

### RECITALS

**WHEREAS**, the Company and certain of the Investors are parties to that certain Series E Preferred Stock Purchase Agreement of even date herewith (the "**Purchase Agreement**"); and

**WHEREAS**, in order to induce the Company to enter into the Purchase Agreement and to induce certain of the Investors to invest funds in the Company pursuant to the Purchase Agreement, the Investors and the Company hereby agree that this Agreement shall govern the rights of the Investors to cause the Company to register shares of Common Stock issuable to the Investors, to receive certain information from the Company, and to participate in future equity offerings by the Company, and shall govern certain other matters as set forth in this Agreement;

**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, managing member, officer, director or trustee of such Person, or any venture capital fund or other investment fund now or hereafter existing that is controlled by one or more general partners, managing members or investment adviser of, or shares the same management company or investment adviser with, such Person. For purposes of this Section 1.1, "control" means the possession, direct or indirect, of the power to vote in excess of fifty percent (50%) of the voting power of such entity, to appoint the majority of the managers, general partners, board of directors or the equivalent of such entity, or to direct or cause the direction of the management and policies of such entity whether through ownership of voting securities, by contract or otherwise (e.g., as managing member or in a similar capacity but not including an advisory or management agreement (in the case of a managed account)).

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 developing cell lines for biotherapeutic protein manufacturing, but shall not include 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.

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 “**DPA**” means Section 721 of the Defense Production Act, as amended, including all implementing regulations thereof.

1.9 “**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).

1.10 “**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.11 “**Excluded Registration**” means (i) a registration relating to the sale or grant of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, equity incentive or similar plan; (ii) a registration relating to an SEC Rule 145 transaction; (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities; or (iv) a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered.

1.12 “**FOIA Party**” means a Person that, in the reasonable determination of the Board of Directors, may be subject to, and thereby required to disclose non-public information furnished by or relating to the Company under, the Freedom of Information Act, 5 U.S.C. 552 (“**FOIA**”), any state public records access law, any state or other jurisdiction’s laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement.

1.13 “**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.

1.14 “**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.

1.15 “**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.

1.16 “**GAAP**” means generally accepted accounting principles in the United States as in effect from time to time.

1.17 “**Holder**” means any holder of Registrable Securities who is a party to this Agreement.

1.18 “**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.

1.19 “**Initiating Holders**” means, collectively, Holders who properly initiate a registration request under this Agreement.

1.20 “**IPO**” means the Company’s first underwritten public offering of its Common Stock under the Securities Act.

1.21 “**Junior Preferred Stock**” means shares of the Company’s Junior Preferred Stock, par value \$0.0001 per share.

1.22 “**Key Employee**” means any executive-level employee (including vice president-level positions).

1.23 “**Major Investor**” means any Investor that, individually or together with such Investor’s Affiliates, holds at least 300,000 shares of Registrable Securities (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof).

1.24 “**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.

1.25 “**Person**” means any individual, corporation, partnership, trust, limited liability company, association or other entity.

1.26 “**Preferred Director**” means any director of the Company that the holders of record of one or more series of Preferred Stock are entitled to elect, exclusively and as a separate class, pursuant to the Certificate of Incorporation.

1.27 “**Preferred Stock**” means, collectively, shares of the Company’s Junior Preferred Stock, Series A-1 Preferred Stock, Series A-2 Preferred Stock, Series A-3 Preferred Stock, Series A-4 Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D-1 Preferred Stock, Series D-2 Preferred Stock, Series D-3 Preferred Stock, Series D-4 Preferred Stock and Series E Preferred Stock.

1.28 “**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, 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.

1.29 “**Registrable Securities then outstanding**” means the number of shares determined by adding the number of shares of outstanding Common Stock that are Registrable Securities and the number of shares of Common Stock issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Registrable Securities.

1.30 “**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-1 Preferred Stock**” means shares of the Company’s Series A-1 Preferred Stock, par value \$0.0001 per share.
- 1.37 “**Series A-2 Preferred Stock**” means shares of the Company’s Series A-2 Preferred Stock, par value \$0.0001 per share.
- 1.38 “**Series A-3 Preferred Stock**” means shares of the Company’s Series A-3 Preferred Stock, par value \$0.0001 per share.
- 1.39 “**Series A-4 Preferred Stock**” means shares of the Company’s Series A-3 Preferred Stock, par value \$0.0001 per share.
- 1.40 “**Series B Preferred Stock**” means shares of the Company’s Series B Preferred Stock, par value \$0.0001 per share.
- 1.41 “**Series C Preferred Stock**” means shares of the Company’s Series C Preferred Stock, par value \$0.0001 per share.
- 1.42 “**Series D-1 Preferred Stock**” means shares of the Company’s Series D-1 Preferred Stock, par value \$0.0001 per share.
- 1.43 “**Series D-2 Preferred Stock**” means shares of the Company’s Series D-2 Preferred Stock, par value \$0.0001 per share.
- 1.44 “**Series D-3 Preferred Stock**” means shares of the Company’s Series D-3 Preferred Stock, par value \$0.0001 per share.
- 1.45 “**Series D-4 Preferred Stock**” means shares of the Company’s Series D-4 Preferred Stock, par value \$0.0001 per share.
- 1.46 “**Series E Preferred Stock**” means shares of the Company’s Series E Preferred Stock, par value \$0.0001 per share.

2. Registration Rights. The Company covenants and agrees as follows:

2.1 Demand Registration.

(a) Form S-1 Demand. If (x) at any time after the earlier of (i) the date four (4) years after the date of this Agreement or (ii) one hundred eighty (180) days after the effective date of the registration statement for the IPO, the Company receives a request from Holders of at least 65% of the Registrable Securities then outstanding (the “**Requisite Holders**”) that the Company file a Form S-1 registration statement with respect to at least forty percent (40%) of the Registrable Securities then outstanding or (y) at any time after the date of this Agreement, the Company receives a request from Holders of a majority of the Registrable Securities then outstanding issued or issuable upon conversion of the Series E Preferred Stock that the Company file a Form S-1 registration statement with respect to such Registrable Securities, then in each case the Company shall: (1) 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 (2) as soon as practicable, and in any event within sixty (60) days after the date such request is given by the Initiating Holders under clause (x) above or one hundred twenty (120) days after the date such



request is given by the Initiating Holders under clause (y) above, 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, that in the event of a request by the Initiating Holders under clause (y) above, the Company shall use commercially reasonable efforts to cause such registration statement to be declared effective no later than the date eighteen (18) months after the date hereof; 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 thirty percent (30%) 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 \$1,000,000, 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.

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(c), then the Initiating Holders may withdraw their request for registration and such registration will not be counted as "effected" for purposes of this Section 2.1(d). Notwithstanding anything to the contrary herein, in the event that within one hundred eighty (180) days after any Demand Notice initiated pursuant to clause (y) of Section 2.1(a), the Company completes a Qualified SPAC Transaction (as defined in the Certificate of Incorporation), the Company shall be deemed to have "effected" the requested registration pursuant to such Demand Notice.

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 or the IPO), the Company shall, at such time, promptly give each Holder notice of such registration. Upon the request of each Holder given within 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 Company and shall be reasonably acceptable to a majority in interest of the Initiating Holders. In

such event, the right of any Holder to include such Holder's Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in Section 2.4(e)) enter into an underwriting agreement in customary form with the underwriter(s) selected for such underwriting; provided, however, that no Holder (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 twenty percent (20%) 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 (i) 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, and (ii) in the case of any registration of Registrable Securities on Form S-3 that are intended to be offered on a continuous or delayed basis, subject to compliance with applicable SEC rules, such one hundred twenty (120) day period shall be extended for up to one hundred eighty (180) days, if necessary, to keep the registration statement effective until all such Registrable Securities are sold;

(b) prepare and file with the SEC such amendments and supplements to such registration statement, and the prospectus used in connection with such registration statement, as may be necessary to comply with the Securities Act in order to enable the disposition of all securities covered by such registration statement;

(c) furnish to the selling Holders such numbers of copies of a prospectus, including a preliminary prospectus, as required by the Securities Act, and such other documents as the Holders may reasonably request in order to facilitate their disposition of their Registrable Securities;

(d) use its commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or blue-sky laws of such jurisdictions as shall be reasonably requested by the selling Holders; provided that the Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(e) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the underwriter(s) of such offering;

(f) use its commercially reasonable efforts to cause all such Registrable Securities covered by such registration statement to be listed on a national securities exchange or trading system and each securities exchange and trading system (if any) on which similar securities issued by the Company are then listed;

(g) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and provide a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(h) promptly make available for inspection by the selling Holders, any 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 \$25,000, of one counsel for the selling Holders ("**Selling Holder Counsel**"), shall be borne and paid by the Company; provided, however, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 2.1 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all selling Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration), unless the Holders of a majority of the Registrable Securities agree to forfeit their right to one registration pursuant to Sections 2.1(a) or 2.1(b), as the case may be; provided further that if, at the time of such withdrawal, the Holders shall have learned of a material adverse change in the condition, business, or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness after learning of such information then the Holders shall not be required to pay any of such expenses and shall not forfeit their right to one registration pursuant to Sections 2.1(a) or 2.1(b). All Selling Expenses relating to Registrable Securities registered pursuant to this Section 2 shall be borne and paid by the Holders pro rata on the basis of the number of Registrable Securities registered on their behalf.

2.7 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any registration pursuant to this Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.8 Indemnification. If any Registrable Securities are included in a registration statement under this Section 2:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each selling Holder, 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 Section 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) and (ii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration (at any time after the Company has become subject to the reporting requirements under the Exchange Act) or pursuant to Form S-3 (at any time after the Company so qualifies to use such form).

2.10 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Requisite Holders, enter into any agreement with any holder or prospective holder of any securities of the Company that would (i) allow such holder or prospective holder to include such securities in any registration unless, under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such securities will not reduce the number of the Registrable Securities of the Holders that are included or (ii) allow such holder or prospective holder to initiate a demand for registration of any securities held by such holder or prospective holder; provided that this limitation shall not apply to Registrable Securities acquired by any additional Investor that becomes a party to this Agreement in accordance with Section 6.9.

2.11 “Market Stand-off” Agreement.

(a) 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 IPO and ending on the date specified by the Company (or any successor thereto) and the managing underwriter (such period not to exceed one hundred eighty (180) days, or such other period as may be requested by the Company (or any successor thereto) with Board approval to accommodate regulatory restrictions on (1) the publication or other distribution of research reports and (2) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto), (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 equity securities of the Company (or its successor in the IPO) held immediately prior to 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 equity securities of the Company (or its successor in the IPO), whether any

such transaction described in clause (i) or (ii) above is to be settled by delivery of equity securities of the Company (or its successor in the IPO) or other equity securities, in cash or otherwise. The foregoing provisions of this Section 2.11 shall apply only to the IPO, and shall not apply to any Holder unless all officers, directors and stockholders of the Company individually owning more than 1% of the Company's shares of common stock (on an as-converted basis) are subject to the same restrictions. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in the IPO that are necessary to give effect to this Section 2.11. 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 Holders and any other stockholders of the Company subject to such agreements, based on the number of equity securities subject to such agreements.

(b) In order to enforce the covenant in Section 2.11(a) above, the Company may impose stop-transfer instructions with respect to the equity securities of each Holder (and transferees and assignees thereof) until the end of such restricted period.

#### 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 Agreement.

(b) Notwithstanding anything to the contrary herein, in no event shall any Holder transfer any securities of the Company to (i) any entity which, in the determination of the Board of Directors, is a Competitor or (ii) any customer, distributor or supplier of the Company, if the Board of Directors determines that such transfer would result in such customer, distributor or supplier receiving information that would place the Company at a competitive disadvantage with respect to such customer, distributor or supplier.

(c) 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(d)) 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.

(d) The holder of such Restricted Securities, by acceptance of ownership thereof, agrees to comply in all respects with the provisions of this Section 2. Before any proposed sale, pledge, or transfer of any Restricted Securities, unless there is in effect a registration statement under the Securities Act covering the proposed transaction, the Holder thereof shall give notice to the Company of such Holder's intention to effect such sale, pledge, or transfer. Each such notice shall describe the manner and circumstances of the proposed sale, pledge, or transfer in sufficient detail and, if reasonably requested by the Company, shall be accompanied at such Holder's expense by either (i) a written opinion of legal counsel who shall, and whose legal opinion shall, be reasonably satisfactory to the Company, addressed to the Company, to the effect that the proposed transaction may be effected without registration under the Securities Act; (ii) a "no action" letter from the SEC to the effect that the proposed sale, pledge, or transfer of such Restricted Securities without registration will not result in a recommendation by the staff of the SEC that action be taken with respect thereto; or (iii) any other evidence reasonably satisfactory to counsel to the Company to the effect that the proposed sale, pledge, or transfer of the Restricted Securities may be effected without registration under the Securities Act, whereupon the Holder of such Restricted Securities shall be entitled to sell, pledge, or transfer such Restricted Securities in accordance with the terms of the notice given by the Holder to the Company. The Company will not require such a 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 internal restructuring purposes or for no consideration; provided that with respect to transfers under the foregoing clause (y), each transferee agrees in writing to be subject to the terms of this Section 2.12. Each certificate, instrument, or book entry representing the Restricted Securities transferred as above provided shall be notated with, except if such transfer is made pursuant to SEC Rule 144, the appropriate restrictive legend set forth in Section 2.12(b), except that such certificate instrument, or book entry shall not be notated with such restrictive legend if, in the opinion of counsel for such Holder and the Company, such legend is not required in order to establish compliance with any provisions of the Securities Act.

2.13 Termination of Registration Rights. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Sections 2.1 or 2.2 shall terminate upon the earliest to occur of:

(a) the closing of a Deemed Liquidation Event, as such term is defined in the Certificate of Incorporation, in which the consideration received by the Investors in such Deemed Liquidation Event is in the form of cash and/or publicly traded securities, or if the

Investors receive registration rights from the acquiring company or other successor to the Company reasonably comparable to those set forth in this Section 2;

(b) such time after consummation of the IPO as SEC Rule 144 or another similar exemption under the Securities Act is available for the sale of all of such Holder's shares without limitation, during a three (3)-month period without registration (and without the requirement for the Company to be in compliance with the current public information required under subsection (c)(1) of SEC Rule 144) and such Holder (together with its "affiliates" determined under SEC Rule 144) holds less than one percent (1%) of the outstanding capital stock of the Company;

(c) the fifth (5<sup>th</sup>) anniversary of the IPO (or such later date that is one hundred eighty (180) days following the expiration of all deferrals of the Company's obligations pursuant to Section 2 that remain in effect as of the fifth (5<sup>th</sup>) anniversary of the consummation of the IPO).

### 3. Information and Observer Rights.

3.1 Delivery of Financial Statements to Major Investors. 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 one hundred twenty (120) days after the end of each fiscal year of the Company (i) a balance sheet as of the end of such year, (ii) statements of income and of cash flows for such year and (iii) a statement of stockholders' equity as of the end of such year, all such financial statements audited and certified by independent public accountants of recognized standing selected by the Company;

(b) as soon as practicable, but in any event within forty-five (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 within forty-five (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 certified by the chief financial officer or chief executive officer of the Company as being true, complete, and correct.

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 Budget and Operating Plan.

(a) Each year as soon as reasonably practicable following preparation thereof, and in any event at least thirty (30) days prior to the commencement of each fiscal year of the Company, the Company shall present to the Board of Directors for approval (including the approval required by Section 5.4) the proposed capital and operating budget and operating plan of the Company and its subsidiaries for such fiscal year, setting forth operating expenses and other anticipated expenditures on a monthly basis as well as any other detail reasonably requested by the Board of Directors (the "**Budget**"). If and to the extent that the Board of Directors (as required by Section 5.4) shall not approve a proposed Budget, the officers of the Company will use their reasonable, good faith efforts to promptly submit a revised Budget for approval by the Board of Directors.

(b) Each year, promptly following approval of the Budget by the Board of Directors, the Company shall deliver a copy of the Budget to: (i) Phoenix Venture Partners II L.P. ("**PVP**"), so long as it or any of its Affiliates holds any shares of Preferred Stock, (ii) AGC America, Inc. ("**AGC**"), so long as it or its Affiliates holds not less than 287,769 shares of Preferred Stock (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof), (iii) KBI Biopharma, Inc. ("**KBI**"), so long as it holds not less than 159,091 shares of Preferred Stock (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof), and (iv) all other Major Investors, *provided that* as to the other Major Investors, the right to receive the Budget may be waived by the Requisite Holders.

3.3 Inspection. The Company shall permit each Major Investor (provided that the Board of Directors has not reasonably determined that such Major Investor is a Competitor), at such Major Investor's expense, to visit and inspect the Company's properties; examine its books of account and records; and discuss the Company's affairs, finances, and accounts with its officers, during normal business hours of the Company as may be reasonably requested by the Major Investor; provided, however, that the Company shall not be obligated pursuant to this Section 3.3 to provide access to any information that it reasonably and in good faith considers to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in form acceptable to the Company) or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

3.4 Observer Rights. (a) As long as David W. Souther or Souther Investments, LLC shall own any shares of capital stock of the Company, (b) as long as Columbia Ventures Corporation (“CVC”) shall own at least 287,769 shares of Preferred Stock (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof), (c) as long as KBI shall own at least 178,754 shares of Preferred Stock (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof), and (d) as long as Danaher Innovation Center LLC and its Affiliates (collectively, “DIC”) shall own at least 153,218 shares of Preferred Stock (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof), respectively, the Company shall invite a representative of Mr. Souther, a representative of CVC, a representative of KBI, and a representative of DIC, as the case may be, to attend all meetings of its Board of Directors in a nonvoting observer capacity and, in this respect, shall give Mr. Souther, and the CVC, KBI, and DIC representatives copies of all notices, minutes, consents and other materials that it provides to its directors; provided, however, that each such observer 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 observer from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of trade secrets or a conflict of interest, or if such Investor or its representative is a Competitor. Each of the Investors agrees that except as expressly set forth above, no other Investor or stockholder of the Company is entitled to any Board observer rights, and any and all observer rights between the Company or any of its predecessors and any other Investor or stockholder of the Company, including without limitation those set forth in the Fifth Amended and Restated Limited Liability Company Agreement of AbSci, LLC, dated December 5, 2019, as amended, restated or otherwise modified from time to time.

3.5 Termination of Information and Observer Rights. The covenants set forth in Section 3.1, Section 3.2, Section 3.3 and Section 3.4 shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO, (ii) when the Company (or its successor or acquirer) first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act or (iii) upon the closing of a Deemed Liquidation Event, as such term is defined in the Certificate of Incorporation, whichever event occurs first.

3.6 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 3.6 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 prospective purchaser of any Registrable Securities from such Investor; provided, that (x) the Board of Directors has not determined that such prospective purchaser is a Competitor and (y) such prospective purchaser shall agree to be bound by the provisions of this Section 3.6; (iii) to any existing or prospective Affiliate, partner, member, stockholder, or wholly owned subsidiary of such Investor in the ordinary course of business, provided that such Investor informs such Person that such information is confidential and directs such Person to maintain the confidentiality of such information; 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.

3.7 Limitation on Foreign Person Investors. Notwithstanding the covenants set forth in Section 3.1 and Section 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.

3.8 Waiver of Statutory Information Rights. Each Investor hereby acknowledges and agrees that until the consummation of the IPO, such Investor shall hereby be deemed to have unconditionally and irrevocably, to the fullest extent permitted by law, on behalf of such Investor and all beneficial owners of the shares of Common Stock or Preferred Stock owned by such Investor (a “**Beneficial Owner**”), waived any rights such Investor or a Beneficial Owner might otherwise have had under Section 220 of the Delaware General Corporation Law (or under similar rights under other applicable law) to inspect for any proper purpose and to make copies and extracts from the Company’s stock ledger, a list of its stockholders and its other books and records or the books and records of any subsidiary. This waiver applies only in such Investor’s capacity as a stockholder and does not affect any other information and inspection rights such Investor may expressly have pursuant to Sections 3.1, 3.2 or 3.3 of this Agreement. Each Investor hereby further warrants and represents that such Investor has reviewed this waiver with its legal counsel, and that such Investor knowingly and voluntarily waives its rights otherwise provided by Section 220 of the Delaware General Corporation Law (or under similar rights under other applicable law).

3.9 SPAC Transaction Covenant. In connection with any SPAC Transaction, no holder of Preferred Stock shall be required to “cash out” of its investment the Company in connection with such transaction, unless otherwise agreed by the applicable holder.

#### 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 itself and its Affiliates; provided that each such Affiliate (x) is not a Competitor or FOIA Party, unless such party’s purchase of New Securities is otherwise consented to by the Board of Directors, (y) agrees to enter into this Agreement and each of the Voting Agreement and the Right of First Refusal and Co-Sale Agreement of even date herewith among the Company, the Investors and the other parties named therein, as an “**Investor**” under

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, 3.3 and 4.1 hereof), and (z) agrees to purchase at least such number of New Securities as are allocable hereunder to the Major Investor holding the fewest number of shares of Preferred Stock and any other Derivative Securities.

(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 thirty (30) 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 held by all the Major Investors (including all shares of Common Stock issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held by all the Major Investors)). At the expiration of such 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) and (ii) shares of Common Stock issued in the IPO.

4.2 Termination. The covenants set forth in Section 4.1 shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO, (ii) upon the consummation of a SPAC Transaction or (iii) upon the closing of a Deemed Liquidation Event in which the consideration received by the Investors in such Deemed Liquidation Event is in the form of cash and/or publicly traded securities, or if the Investors receive participation rights from the acquiring company or other successor to the Company reasonably comparable to those set forth in this Section 4, 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.

## 5. Additional Covenants.

5.1 Insurance. The Company shall obtain, within ninety (90) days of the date hereof, from financially sound and reputable insurers Directors and Officers liability insurance in an amount and on terms and conditions satisfactory to the Board of Directors, and will use commercially reasonable efforts to cause such insurance policies to be maintained until such time as the Board of Directors determines that such insurance should be discontinued.

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 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 approval 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 shall retain (and not waive) a “right of first refusal” on employee transfers until the Company’s IPO and shall have the right to repurchase unvested shares at cost upon termination of employment of a holder of restricted stock.

5.4 Matters Requiring Board Approval. During such time or times as the holders of Preferred Stock are entitled to elect one or more Preferred Directors, the Company hereby covenants and agrees with each of the Investors that it shall not, without approval of the Board of Directors:

(a) approve the Budget;

(b) hire any employee for the Company or its subsidiaries with a compensation package greater than \$225,000 per annum or increase the salary of any current Company employee to an amount greater than \$225,000 per annum, in each case unless expressly approved in the Budget, or make any change to the compensation of any executive officer of the Company;

(c) issue any equity securities or rights to acquire equity securities with respect to the Company or any subsidiary, including under the Company’s 2020 Stock Option and Grant Plan (the “**Employee Incentive Plan**”);

(d) grant any bonus to Company employees, in each case unless expressly approved in the Budget;

(e) establish or amend any employee incentive plan or similar equity compensation plan of the Company or any subsidiary;

(f) change the principal business, enter new lines of business, or exit the current line of business of the Company or any subsidiary;

(g) create any subsidiary of the Company or transfer any of the Company's assets to any subsidiary of the Company; or

(h) sell, assign, license, pledge, or encumber material technology or intellectual property of the Company or any subsidiary, other than licenses granted in the ordinary course of business of the Company.

5.5 Board Matters. The Company shall reimburse the nonemployee directors for all reasonable out-of-pocket travel expenses incurred (consistent with the Company’s travel policy) in connection with attending meetings of the Board of Directors.

5.6 Successor Indemnification. If the Company or any of its successors or assignees consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger, then to the extent necessary, proper provision shall be made so that the successors and assignees of the Company assume the obligations of the Company with respect to indemnification of members of the Board of Directors as in effect immediately before such transaction, whether such obligations are

contained in the Company's Bylaws, the Certificate of Incorporation, or elsewhere, as the case may be.

5.7 Indemnification Matters. The Company hereby acknowledges that one (1) or more of the Preferred 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 Preferred 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 Preferred Director are secondary), (b) that it shall be required to advance the full amount of expenses incurred by such Preferred 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 Preferred 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 Preferred Director), without regard to any rights such Preferred 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 Preferred Director with respect to any claim for which such Preferred 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 Preferred Director against the Company. The Preferred Directors and the Investor Indemnitors are intended third-party beneficiaries of this Section 5.7 and shall have the right, power and authority to enforce the provisions of this Section 5.7 as though they were a party to this Agreement.

5.8 Right to Conduct Activities. The Company hereby agrees and acknowledges that each of (i) Casdin Master Partners Fund L.P. (together with its Affiliates, "**Casdin**"), (ii) Redmile Biopharma Investments II, L.P. (together with its Affiliates, "**Redmile**") and (iii) Phoenix Venture Partners II LP (together with its Affiliates, "**PVP**") 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 Investors from evaluating or purchasing securities, including publicly traded securities, of a particular enterprise, or investing or participating in any particular enterprise whether or not such enterprise has products or services which compete with those of the Company; and the Company hereby agrees that, to the extent permitted under applicable law, Casdin, Redmile and PVP shall not be liable to the Company for any claim arising out of, or based upon, (i) the investment by Casdin, Redmile or PVP (as applicable), in any entity competitive with the Company, or (ii) actions taken by any partner, officer, employee or other representative of Casdin, Redmile or PVP (as applicable) to assist any such competitive company, whether or not such action was taken as a member of the board of directors of such competitive company or otherwise, and whether or not such action has

a detrimental effect on the Company; provided, however, that the foregoing shall not relieve (x) any of the Investors from liability associated with the unauthorized disclosure of the Company's confidential information obtained pursuant to this Agreement, or (y) any director or officer of the Company from any liability associated with his or her fiduciary duties to the Company.

5.9 FCPA. The Company covenants that it shall not (and shall not permit any of its subsidiaries or Affiliates or any of its or their respective directors, officers, managers, employees, independent contractors, representatives or agents to) promise, authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, to any third party, including any Non-U.S. Official (as such term is defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA")), in each case, in violation of the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. The Company further covenants that it shall (and shall cause each of its subsidiaries and Affiliates to) cease all of its or their respective activities, as well as remediate any actions taken by the Company, its subsidiaries or Affiliates, or any of their respective directors, officers, managers, employees, independent contractors, representatives or agents in violation of the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. The Company further covenants that it shall (and shall cause each of its subsidiaries and Affiliates to) maintain systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. Upon request, the Company agrees to provide responsive information and/or certifications concerning its compliance with applicable anti-corruption laws. The Company shall promptly notify each Investor if the Company becomes aware of any Enforcement Action (as defined in the Purchase Agreement). The Company shall, and shall cause any direct or indirect subsidiary or entity controlled by it, whether now in existence or formed in the future, to comply with the FCPA. The Company shall use its reasonable best efforts to cause any direct or indirect subsidiary, whether now in existence or formed in the future, to comply in all material respects with all applicable laws.

5.10 Real Property Holding Corporation. 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.

5.11 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 who is a Foreign Person shall be permitted to obtain any DPA Triggering Rights or a voting equity interest in the

Company that exceeds nine and nine-tenths percent (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.

5.12 Termination of Covenants. The covenants set forth in this Section 5, except for Sections 5.6, 5.7 and 5.8, 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, 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, holds at least 250,000 shares of Registrable Securities (subject to appropriate adjustment for stock splits, stock dividends, combinations, and other recapitalizations); provided, however, that (x) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee and the Registrable Securities with respect to which such rights are being transferred; and (y) such transferee agrees in a written instrument delivered to the Company to be bound by and subject to the terms and conditions of this Agreement, including the provisions of Section 2.11. For the purposes of determining the number of shares of Registrable Securities held by a transferee, the holdings of a transferee (1) that is an Affiliate or stockholder of a Holder; (2) who is a Holder's Immediate Family Member; or (3) that is a trust for the benefit of an individual Holder or such Holder's Immediate Family Member shall be aggregated together and with those of the transferring Holder; provided further that all transferees who would not qualify individually for assignment of rights shall, as a condition to the applicable transfer, establish a single attorney-in-fact for the purpose of exercising any rights, receiving notices, or taking any action under this Agreement. The terms and conditions of this Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assignees any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

6.2 Governing Law. This Agreement shall be governed by the internal law of the State of Delaware, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Delaware.

6.3 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via electronic mail (including pdf or any

electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, [www.docusign.com](http://www.docusign.com)) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

6.4 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

6.5 Notices.

(a) All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or (i) personal delivery to the party to be notified; (ii) when sent, if sent by electronic mail during the recipient's normal business hours, and if not sent during normal business hours, then on the recipient's next business day; (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one (1) business day after the business day of deposit with a nationally recognized overnight courier, freight prepaid, specifying next-day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their addresses as set forth on Schedule A hereto, or (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, Attn: Kingsley Taft ([ktaft@goodwinlaw.com](mailto:ktaft@goodwinlaw.com)).

(b) Consent to Electronic Notice. Each Investor consents to the delivery of any stockholder notice pursuant to the Delaware General Corporation Law (the "**DGCL**"), as amended or superseded from time to time, by electronic transmission pursuant to Section 232 of the DGCL (or any successor thereto) at the electronic mail address set forth below such Investor's name on the Schedules hereto, as updated from time to time by notice to the Company, or as on the books of the Company. To the extent that any notice given by means of electronic transmission is returned or undeliverable for any reason, the foregoing consent shall be deemed to have been revoked until a new or corrected electronic mail address has been provided, and such attempted electronic notice shall be ineffective and deemed to not have been given. Each Investor agrees to promptly notify the Company of any change in such stockholder's electronic mail address, and that failure to do so shall not affect the foregoing.

6.6 Amendments and Waivers. Any term of this Agreement may be amended, modified or terminated and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the Company and the holders of at least 65% of the Registrable Securities then outstanding; provided that the Company may in its sole discretion waive compliance with Section 2.12(c) (and the Company's failure to object promptly in writing after notification of a proposed assignment allegedly in violation of Section 2.12(c) shall be deemed to be a waiver); and provided further that any provision hereof may be waived by any waiving party on such party's own behalf, without the consent of any other party. Notwithstanding the foregoing, (a) this Agreement may not be amended, modified or terminated and the observance of any term hereof may not be waived with respect to 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) and (b) Sections 3.1, 3.2(b), 3.3, 4 and any other section of this Agreement applicable to the Major Investors (including this clause (b) of this Section 6.6) may be amended, modified, terminated or waived with only the written consent of the Company and the holders of at least 65% of the Registrable Securities then outstanding and held by the Major Investors. Further, (x) Section 3.4 of this Agreement may not be amended, modified or terminated, and no provision thereof may be waived, in each case, in any way which would adversely affect the board observer rights of (i) David W. Souther or Souther Investments, LLC so long as they own any shares of capital stock of the Company, (ii) CVC so long as it owns at least 287,769 shares of Preferred Stock (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof), (iii) KBI so long as it owns at least 178,754 shares of Preferred Stock (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof), and (iv) DIC so long as it, together with its Affiliates, owns at least 153,218 shares of Preferred Stock (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof), respectively, without the written consent of such party named in clauses (i) through (iv) above, as applicable, so long as such party owns the requisite shares specified in such clause (i) through (iv), as applicable and (y) Section 5.8 may not be amended, modified or terminated, and no provision thereof may be waived as it relates to Casdin without the written consent of Casdin, as it relates to Redmile without the written consent of Redmile, and as it relates to PVP without the written consent of PVP, in each case so long as it holds any shares of capital stock of the Company. 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 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 capital stock of the Company 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 Series E Preferred Stock after the date hereof, pursuant to the Purchase Agreement, any purchaser of such shares of Series E Preferred Stock may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement, and thereafter shall be deemed an “Investor” for all purposes hereunder. No action or consent by the Investors shall be required for such joinder to this Agreement by such additional Investor, so long as such additional Investor has agreed in writing to be bound by all of the obligations as an “Investor” hereunder.

6.10 Entire Agreement. This Agreement (including any Schedules hereto) together with the other Transaction Documents (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 Delaware Court of Chancery and to the jurisdiction of the United States District Court for the District of Delaware for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the Delaware Court of Chancery or the United States District Court for the District of Delaware, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

WAIVER OF JURY TRIAL: EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND



VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

6.12 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such nonbreaching or 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 Investors' Rights Agreement as of the date first written above.

**COMPANY:**

**ABSCI CORPORATION**

By: /s/ Sean McClain

Name: /s/ Sean McClain

Title: President and Chief Executive Officer

Address:

101 E 6th Street, Suite 300  
Vancouver, WA 98660

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT



IN WITNESS WHEREOF, the parties have executed this Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**REDMILE BIOPHARMA INVESTMENTS II, L.P.**

By: Redmile Biopharma Investments II (GP), LLC, its general partner

By: /s/ Joshua Garcia

Name: Joshua Garcia

Title: Authorized Signatory

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT

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**INVESTORS:**

**Meridian Small Cap Growth Fund**

By: its Investment Adviser  
ArrowMark Colorado Holdings LLC

By:  /s/ Rick Grove

Name: Rick Grove

Title: Authorized Signer

**ArrowMark Fundamental Opportunity Fund, L.P.**

By: its Investment Adviser  
ArrowMark Colorado Holdings, LLC

By:  /s/ Rick Grove

Name: Rick Grove

Title: Authorized Signer

**Lookfar Investments LLC**

By: its Investment Adviser  
ArrowMark Colorado Holdings, LLC

By:  /s/ Rick Grove

Name: Rick Grove

Title: Authorized Signer

**ArrowMark Life Science Fund, LP**

By: its Investment Adviser  
ArrowMark Colorado Holdings, LLC

By:  /s/ Rick Grove

Name: Rick Grove

Title: Authorized Signer

IN WITNESS WHEREOF, the parties have executed this Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**Phoenix Venture Partners II LP**

By: /s/ Zachariah Johasson

Name: Zachariah Johasson

Title: Principal

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT

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**INVESTORS:**

**AGC America, Inc.**

By: /s/ Christopher F. Correnti

Name: Christopher F. Correnti

Title: President & CEO

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**Oregon Angel Fund 2016, LLC**

By: /s/ Eric J. Rosenfeld  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Oregon Angel Fund 2017-A LLC**

By: /s/ Eric J. Rosenfeld  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Oregon Angel Fund 2017-Q LLC**

By: /s/ Eric J. Rosenfeld  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



IN WITNESS WHEREOF, the parties have executed this Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**Oregon Venture Fund 2020, LLC**

By: /s/ Eric J. Rosenfeld  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Oregon Venture Fund XII, LLC**

By: /s/ Eric J. Rosenfeld  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Oregon Venture Fund 2018-A, LLC**

By: /s/ Eric J. Rosenfeld  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Oregon Venture Fund 2018-Q, LLC**

By: /s/ Eric J. Rosenfeld  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Oregon Venture Fund 2019, LLC**

By: /s/ Eric J. Rosenfeld  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**Washington Research Foundation**

By:           /s/ Loretta Little          

Name:           Loretta Little          

Title:           Managing Director          

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

/s/ David W. Souther

\_\_\_\_\_  
**David W. Souther**

**David Souther IRA**

By: /s/ David Souther IRA

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Connie Souther IRA**

By: /s/ Connie Souther IRA

Name: \_\_\_\_\_

Title: \_\_\_\_\_

/s/ John B. Souther Jr.

\_\_\_\_\_  
**John B. Souther Jr.**

**Souther Investments, LLC**

By: /s/ Souther Investments, LLC

Name: \_\_\_\_\_

Title: \_\_\_\_\_

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT

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**INVESTORS:**

/s/ Gordon Hoffman

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**Gordon Hoffman**

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**INVESTORS:**

/s/ William Newman

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**William Newman**

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**INVESTORS:**

/s John Thomas

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**John Thomas**

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**INVESTORS:**

**XParte Holdings LLC**

By: /s/ David A. Smith \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

/s/ David A. Smith \_\_\_\_\_  
**David A. Smith**

**The Smith Family Foundation**

By: /s/ David A. Smith \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**Schifferdecker Law Retirement Trust**

By: /s/ Schifferdecker Law Retirement Trust

Name: \_\_\_\_\_

Title: \_\_\_\_\_

/s/ Jack Schifferdecker

**Jack Schifferdecker**

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT



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**INVESTORS:**

/s/ William Bennett

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**William Bennett**

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**INVESTORS:**

/s/ Daniel Gold

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**Daniel Gold**

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**INVESTORS:**

/s/ Daniel Hunt

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**Daniel Hunt**

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**INVESTORS:**

/s/ Shelly Klassen

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**Shelley Klassen**

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**INVESTORS:**

/s/ Rick McClain

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**Rick McClain**

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**INVESTORS:**

**The Robert C. Liebman Trust**

By: /s/ The Robert C. Liebman Trust

Name:

Title:

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT

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**INVESTORS:**

/s/ Ajay Malhotra

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**Ajay Malhotra**

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**INVESTORS:**

/s/ George DeCarlo III

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**George DeCarlo III**

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**INVESTORS:**

**Columbia Ventures Corporation**

By: /s/ Kenneth D. Peterson, Jr.

Name: Kenneth D. Peterson, Jr.

Title: CEO

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**INVESTORS:**

**Bhagwan Enterprises, LLC**

By: /s/ Sudhir Bhagwan

Name: Sudhir Bhagwan

Title: Managing Member

**Bhagwan Family Limited Partnership**

By: /s/ Sudhir Bhagwan

Name: Sudhir Bhagwan

Title: Managing Member of General Partner

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT

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**INVESTORS:**

**Catherine and Andrew Blanksby, Joint Tenants with Rights of Survivorship**

By: /s/ Andrew Blanksby

Name:

Title:

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT

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**INVESTORS:**

/s/ Kristin Hammond

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**Kristin K. Hammond**

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**INVESTORS:**

/s/ Jordi X. Kellogg

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**Jordi X. Kellogg**

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**INVESTORS:**

**Essential Consultants, LLC**

By:           /s/ Ran Raviv          

Name:           Ran Raviv          

Title:           Managing Member          

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT

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**INVESTORS:**

*/s/ Alan Herman*

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**Alan Herman**

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**INVESTORS:**

/s/ Ken Pacioni

\_\_\_\_\_

**Ken Pacioni**

**Ken Pacioni IRA**

By: /s/ Ken Pacioni

Name: Ken Pacioni

Title: Trustee Pacioni Living Revocable Trust

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT



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**INVESTORS:**

**W&W Group LLC**

By:           /s/ Jian Wu          

Name:           Jian Wu          

Title:           Member          

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT

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**INVESTORS:**

*/s/ Andrew Julian Stuart Jones*

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**Andrew Julian Stuart Jones**

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**INVESTORS:**

**KBI Biopharma, Inc.**

By: /s/ Stewart A. McNaull

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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**INVESTORS:**

**JSR Life Sciences, LLC**

By: /s/ Tim Lowery

Name: Tim Lowery

Title: President

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**INVESTORS:**

**DH Life Sciences LLC**

By: /s/ Michael Egholm

Name: Michael Egholm

Title: Vice President

**Danaher Innovation Center LLC**

By: /s/ Michael Egholm

Name: Michael Egholm

Title: Vice President

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

/s/ Andreas Pihl

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**Andreas Pihl**

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

/s/ Mike McKernan

---

**Michael K. McKernan**

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**Wilmar Family LLC**

By:         /s Wilmar Family LLC  

Name:   

Title:   

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT



IN WITNESS WHEREOF, the parties have executed this Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**Wagner Children's Irrevocable Trust**

By: /s/ PW for Wagner Children's Irrevocable Trust

Name: \_\_\_\_\_

Title: \_\_\_\_\_

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**The Todd and Audrie Alsdorf Revocable Living Trust dated July 7, 2014**

By: /s/ Todd Alsdorf

Name:

Title:

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**Robert M. Parks and Annette Parks**

By: /s/ Robert M. Parks

\_\_\_\_\_  
Robert M. Parks

By: /s/ Annette Parks

\_\_\_\_\_  
Annette Parks

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT



IN WITNESS WHEREOF, the parties have executed this Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**Cross Pollinate AbSci, LP**

By: /s/ Mark Youngblood

Name: Mark Youngblood

Title: Member

**Cross Pollinate AbSci E, LP**

By: /s/ Mark Youngblood

Name: Mark Youngblood

Title: Member

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**George E. Myers Separate Property Revocable Trust**

By: /s/ George E. Myers

Name: George E. Myers

Title: Trustee

**Mary Myers Kauppila Revocable Trust**

By: \_\_\_\_\_

Name: Mary Myers Kauppila

Title: Trustee

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**George E. Myers Separate Property Revocable Trust**

By: \_\_\_\_\_

Name: George E. Myers

Title: Trustee

**Mary Myers Kauppila Revocable Trust**

By: /s/ Mary Myers Kauppila

Name: Mary Myers Kauppila

Title: Trustee

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

**Siga Adelante, LLC**

By: /s/ Mary Myers Kauppila

Name: Mary Myers Kauppila

Title: \*

**Milagro de Ladera, L.P.**

By: /s/ Mary Myers Kauppila

Name: Mary Myers Kauppila

Title: \*\*

**Designated Series Prospero of Milagro de Ladera, L.P.**

By: /s/ Mary Myers Kauppila

Name: Mary Myers Kauppila

Title: \*\*\*

\* President, Delaware Ladera Management Company, manager of MDL Management, LLC, manager of Siga Adelante, LLC

\*\* President, Delaware Ladera Management Company, manager of MDL Management, LLC, general partner of Milagro de Ladera, L.P.

\*\*\* President, Delaware Ladera Management Company, manager of MDL Management, LLC, general partner of Designated Series Prospero, Milagro de Ladera, L.P.



IN WITNESS WHEREOF, the parties have executed this Investors' Rights Agreement as of the date first written above.

**INVESTORS:**

/s/ James Dirksen

\_\_\_\_\_  
**James Dirksen**

**James Dirksen IRA**

By: /s/ James Dirksen IRA

Name: \_\_\_\_\_

Title: \_\_\_\_\_

SIGNATURE PAGE TO INVESTORS' RIGHTS AGREEMENT

**SCHEDULE A**

**INVESTORS**

**Name and Address**

**Casdin Partners Master Fund, L.P.**

**Redmile Biopharma Investments II, L.P.**

**Meridian Small Cap Growth Fund**

**ArrowMark Fundamental Opportunity Fund, L.P.**

**Lookfar Investments LLC**

**ArrowMark Life Science Fund, LP**

**Oregon Venture Fund XII, LLC**

**Oregon Venture Fund 2020, LLC**

**Oregon Angel Fund 2016, LLC**

**Oregon Angel Fund 2017-A LLC**

**Oregon Angel Fund 2017-Q LLC**

**Oregon Venture Fund 2018-A, LLC**

**Oregon Venture Fund 2018-Q, LLC**

**Oregon Venture Fund 2019, LLC**

**Phoenix Venture Partners II LP**

**AGC America, Inc.**

**Washington Research Foundation**

**David W. Souther**

**David Souther IRA**

**Connie Souther IRA**

**John B. Souther, Jr.**

**Souther Investments, LLC**

**Gordon Hoffman**

**William Newman**

**John Thomas**

**XParte Holdings LLC**

**The Smith Family Foundation**

**David A. Smith**

**Jack Schifferdecker**

**Schifferdecker Law Retirement Trust**

**William Bennett**

**Daniel Gold**

**Daniel Hunt**

**Shelley Klassen**

**Rick McClain**

**The Robert C. Liebman Trust**

**Ajay Malhotra**

**George DeCarlo III**

**Columbia Ventures Corporation**

**Bhagwan Enterprises, LLC**

**Bhagwan Family Limited Partnership**

**Catherine and Andrew Blanksby, Joint Tenants with Rights of Survivorship**

**Kristin K. Hammond**

**Jordi X. Kellogg**

**Essential Consultants, LLC**

**Alan Herman**

**Ken Pacioni**

**Ken Pacioni IRA**

**W&W Group LLC**

**Andrew Julian Stuart Jones**

**KBI Biopharma, Inc.**

**JSR Life Sciences, LLC**

**DH Life Sciences LLC**

**Danaher Innovation Center LLC**

**Andreas Pihl**

**Michael K. McKernan**

**Wilmar Family LLC**

**Wagner Children's Irrevocable Trust**

**The Todd and Audrie Alsdorf Revocable Living Trust dated July 7, 2014**

**Robert M. Parks and Annette Parks**

**The Holbert Family Revocable Trust dated November 4, 2014**

**Cross Pollinate AbSci, LP**

**Cross Pollinate AbSci E, LP**

**George E. Myers Separate Property Revocable Trust**

**Mary Myers Kauppila Revocable Trust**

**Siga Adelante, LLC**

**Milagro de Ladera, L.P.**

**Designated Series Prospero of Milagro de Ladera, L.P.**

**James Dirksen**

**James Dirksen IRA**

**ABSCI CORPORATION****2020 STOCK OPTION AND GRANT PLAN****SECTION 1. GENERAL PURPOSE OF THE PLAN; DEFINITIONS**

The name of the plan is the AbSci Corporation 2020 Stock Option and Grant Plan (the “Plan”). The purpose of the Plan is to encourage and enable the officers, employees, directors, Consultants and other key persons of AbSci Corporation, a Delaware corporation (including any successor entity, the “Company”) and its Subsidiaries, upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its business, to acquire a proprietary interest in the Company.

The following terms shall be defined as set forth below:

“*Affiliate*” of any Person means a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with the first mentioned Person. A Person shall be deemed to control another Person if such first Person possesses directly or indirectly the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, by contract or otherwise.

“*Award*” or “*Awards*,” except where referring to a particular category of grant under the Plan, shall include Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock Awards, Unrestricted Stock Awards, Restricted Stock Units or any combination of the foregoing.

“*Award Agreement*” means a written or electronic agreement setting forth the terms and provisions applicable to an Award granted under the Plan. Each Award Agreement may contain terms and conditions in addition to those set forth in the Plan; *provided, however*, in the event of any conflict in the terms of the Plan and the Award Agreement, the terms of the Plan shall govern.

“*Board*” means the Board of Directors of the Company.

“*Cause*” shall have the meaning as set forth in the Award Agreement(s). In the case that any Award Agreement does not contain a definition of “*Cause*,” it shall mean (i) the grantee’s dishonest statements or acts with respect to the Company or any Affiliate of the Company, or any current or prospective customers, suppliers vendors or other third parties with which such entity does business; (ii) the grantee’s commission of (A) a felony or (B) any misdemeanor involving moral turpitude, deceit, dishonesty or fraud; (iii) the grantee’s failure to perform his assigned duties and responsibilities to the reasonable satisfaction of the Company which failure continues, in the reasonable judgment of the Company, after written notice given to the grantee by the Company; (iv) the grantee’s gross negligence, willful misconduct or insubordination with respect to the Company or any Affiliate of the Company; or (v) the grantee’s material violation of any provision of any agreement(s) between the grantee and the Company relating to noncompetition, nonsolicitation, nondisclosure and/or assignment of inventions.

“*Chief Executive Officer*” means the Chief Executive Officer of the Company or, if there is no Chief Executive Officer, then the President of the Company.

“*Code*” means the Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

“*Committee*” means the Committee of the Board referred to in Section 2.

“*Consultant*” means any natural person that provides bona fide services to the Company (including a Subsidiary), and such services are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company’s securities.

“*Disability*” means “disability” as defined in Section 422(c) of the Code.

“*Effective Date*” means the date on which the Plan is adopted as set forth on the final page of the Plan.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

“*Fair Market Value*” of the Stock on any given date means the fair market value of the Stock determined in good faith by the Committee based on the reasonable application of a reasonable valuation method not inconsistent with Section 409A of the Code. If the Stock is admitted to trade on a national securities exchange, the determination shall be made by reference to the closing price reported on such exchange. If there is no closing price for such date, the determination shall be made by reference to the last date preceding such date for which there is a closing price. If the date for which Fair Market Value is determined is the first day when trading prices for the Stock are reported on a national securities exchange, the Fair Market Value shall be the “Price to the Public” (or equivalent) set forth on the cover page for the final prospectus relating to the Company’s Initial Public Offering.

“*Good Reason*” shall have the meaning as set forth in the Award Agreement(s). In the case that any Award Agreement does not contain a definition of “Good Reason,” it shall mean (i) a material diminution in the grantee’s base salary except for across-the-board salary reductions similarly affecting all or substantially all similarly situated employees of the Company or (ii) a change of more than 50 miles in the geographic location at which the grantee provides services to the Company, so long as the grantee provides at least 90 days notice to the Company following the initial occurrence of any such event and the Company fails to cure such event within 30 days thereafter.

“*Grant Date*” means the date that the Committee designates in its approval of an Award in accordance with applicable law as the date on which the Award is granted, which date may not precede the date of such Committee approval.

“*Holder*” means, with respect to an Award or any Shares, the Person holding such Award or Shares, including the initial recipient of the Award or any Permitted Transferee.

“*Incentive Stock Option*” means any Stock Option designated and qualified as an “incentive stock option” as defined in Section 422 of the Code.

“*Initial Public Offering*” means the consummation of the first public offering pursuant to an effective registration statement under the Securities Act covering the offer and sale by the Company of its equity securities, as a result of or following which the Stock shall be publicly held.

“*Non-Qualified Stock Option*” means any Stock Option that is not an Incentive Stock Option.

“*Option*” or “*Stock Option*” means any option to purchase shares of Stock granted pursuant to Section 5.

“*Permitted Transferees*” shall mean any of the following to whom a Holder may transfer Shares hereunder (as set forth in Section 10(a)(ii)(A)): the Holder’s child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the Holder’s household (other than a tenant or employee), a trust in which these persons have more than fifty percent of the beneficial interest, a foundation in which these persons control the management of assets, and any other entity in which these persons own more than fifty percent of the voting interests; *provided, however*, that any such trust does not require or permit distribution of any Shares during the term of the Award Agreement unless subject to its terms. Upon the death of the Holder, the term Permitted Transferees shall also include such deceased Holder’s estate, executors, administrators, personal representatives, heirs, legatees and distributees, as the case may be.

“*Person*” shall mean any individual, corporation, partnership (limited or general), limited liability company, limited liability partnership, association, trust, joint venture, unincorporated organization or any similar entity.

“*Restricted Stock Award*” means Awards granted pursuant to Section 7 and “*Restricted Stock*” means Shares issued pursuant to such Awards.

“*Restricted Stock Unit*” means an Award of phantom stock units to a grantee, which may be settled in cash or Shares as determined by the Committee, pursuant to Section 9.

“*Sale Event*” means the consummation of (i) the dissolution or liquidation of the Company, (ii) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (iii) a merger, reorganization or consolidation pursuant to which the holders of the Company’s outstanding voting power immediately prior to such transaction do not own a majority of the outstanding voting power of the surviving or resulting entity (or its ultimate parent, if applicable), (iv) the acquisition of all or a majority of the outstanding voting stock of the Company in a single transaction or a series of related transactions by a Person or group of Persons, or (v) any other acquisition of the business of the Company, as determined by the Board; *provided, however*, that the Company’s Initial Public Offering, any subsequent public offering or another capital raising event, or a merger effected solely to change the Company’s domicile shall not constitute a “Sale Event.”

“Section 409A” means Section 409A of the Code and the regulations and other guidance promulgated thereunder.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

“Service Relationship” means any relationship as a full-time employee, part-time employee, director or other key person (including Consultants) of the Company or any Subsidiary or any successor entity (e.g., a Service Relationship shall be deemed to continue without interruption in the event an individual’s status changes from full-time employee to part-time employee or Consultant).

“Shares” means shares of Stock.

“Stock” means the Common Stock, par value \$0.0001 per share, of the Company.

“Stock Appreciation Right” means an Award granted pursuant to Section 6 hereof, entitling the grantee to receive shares of Stock or cash having a value equal to the excess of the Fair Market Value of the Stock on the date of exercise over the exercise price of the Stock Appreciation Right multiplied by the number of shares of Stock with respect to which the Stock Appreciation Right shall have been exercised.

“Subsidiary” means any corporation or other entity (other than the Company) in which the Company has more than a 50 percent interest, either directly or indirectly.

“Ten Percent Owner” means an employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10 percent of the combined voting power of all classes of stock of the Company or any parent of the Company or any Subsidiary.

“Termination Event” means the termination of the Award recipient’s Service Relationship with the Company and its Subsidiaries for any reason whatsoever, regardless of the circumstances thereof, and including, without limitation, upon death, disability, retirement, discharge or resignation for any reason, whether voluntarily or involuntarily. The following shall not constitute a Termination Event: (i) a transfer to the service of the Company from a Subsidiary or from the Company to a Subsidiary, or from one Subsidiary to another Subsidiary or (ii) an approved leave of absence for military service or sickness, or for any other purpose approved by the Committee, if the individual’s right to re-employment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Committee otherwise so provides in writing.

“Unrestricted Stock Award” means any Award granted pursuant to Section 8 and “Unrestricted Stock” means Shares issued pursuant to such Awards.

## SECTION 2. ADMINISTRATION OF PLAN; COMMITTEE AUTHORITY TO SELECT GRANTEES AND DETERMINE AWARDS

(a) Administration of Plan. The Plan shall be administered by the Board, or at the discretion of the Board, by a committee of the Board, comprised of not less than two directors. All references herein to the “Committee” shall be deemed to refer to the group then responsible



for administration of the Plan at the relevant time (i.e., either the Board of Directors or a committee or committees of the Board, as applicable).

(b) Powers of Committee. The Committee shall have the power and authority to grant Awards consistent with the terms of the Plan, including the power and authority:

(i) to select the individuals to whom Awards may from time to time be granted;

(ii) to determine the time or times of grant, and the amount, if any, of Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock Awards, Unrestricted Stock Awards, Restricted Stock Units, or any combination of the foregoing, granted to any one or more grantees;

(iii) to determine the number of Shares to be covered by any Award and, subject to the provisions of the Plan, the price, exercise price, conversion ratio or other price relating thereto;

(iv) to determine and, subject to Section 13, to modify from time to time the terms and conditions, including restrictions, not inconsistent with the terms of the Plan, of any Award, which terms and conditions may differ among individual Awards and grantees, and to approve the form of Award Agreements;

(v) to accelerate at any time the exercisability or vesting of all or any portion of any Award;

(vi) to impose any limitations on Awards, including limitations on transfers, repurchase provisions and the like, and to exercise repurchase rights or obligations;

(vii) subject to Section 5(a)(ii) and any restrictions imposed by Section 409A, to extend at any time the period in which Stock Options or Stock Appreciation Right may be exercised; and

(viii) at any time to adopt, alter and repeal such rules, guidelines and practices for administration of the Plan and for its own acts and proceedings as it shall deem advisable; to interpret the terms and provisions of the Plan and any Award (including Award Agreements); to make all determinations it deems advisable for the administration of the Plan; to decide all disputes arising in connection with the Plan; and to otherwise supervise the administration of the Plan.

All decisions and interpretations of the Committee shall be binding on all persons, including the Company and all Holders.

(c) Award Agreement. Awards under the Plan shall be evidenced by Award Agreements that set forth the terms, conditions and limitations for each Award.

(d) Indemnification. Neither the Board nor the Committee, nor any member of either or any delegate thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with the Plan, and the members of the Board and

the Committee (and any delegate thereof) shall be entitled in all cases to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, reasonable attorneys' fees) arising or resulting therefrom to the fullest extent permitted by law and/or under the Company's governing documents, including its certificate of incorporation or bylaws, or any directors' and officers' liability insurance coverage which may be in effect from time to time and/or any indemnification agreement between such individual and the Company.

(e) Foreign Award Recipients. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in other countries in which the Company and any Subsidiary operate or have employees or other individuals eligible for Awards, the Committee, in its sole discretion, shall have the power and authority to: (i) determine which Subsidiaries, if any, shall be covered by the Plan; (ii) determine which individuals, if any, outside the United States are eligible to participate in the Plan; (iii) modify the terms and conditions of any Award granted to individuals outside the United States to comply with applicable foreign laws; (iv) establish subplans and modify exercise procedures and other terms and procedures, to the extent the Committee determines such actions to be necessary or advisable (and such subplans and/or modifications shall be attached to the Plan as appendices); provided, however, that no such subplans and/or modifications shall increase the share limitation contained in Section 3(a) hereof; and (v) take any action, before or after an Award is made, that the Committee determines to be necessary or advisable to obtain approval or comply with any local governmental regulatory exemptions or approvals.

### SECTION 3. STOCK ISSUABLE UNDER THE PLAN; MERGERS AND OTHER TRANSACTIONS; SUBSTITUTION

(a) Stock Issuable. The maximum number of Shares reserved and available for issuance under the Plan shall be 2,703,997 Shares, subject to adjustment as provided in Section 3(b). For purposes of this limitation, the Shares underlying any Awards that are forfeited, canceled, reacquired by the Company prior to vesting, satisfied without the issuance of Stock or otherwise terminated (other than by exercise) and Shares that are withheld upon exercise of an Option or Stock Appreciation Right, if applicable, or settlement of an Award to cover the exercise price or tax withholding shall be added back to the Shares available for issuance under the Plan. Subject to such overall limitations, Shares may be issued up to such maximum number pursuant to any type or types of Award, and no more than 27,039,970 Shares may be issued pursuant to Incentive Stock Options. The Shares available for issuance under the Plan may be authorized but unissued Shares or Shares reacquired by the Company.

(b) Changes in Stock. Subject to Section 3(c) hereof, if, as a result of any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Company's capital stock, the outstanding Shares are increased or decreased or are exchanged for a different number or kind of shares or other securities of the Company, or additional Shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such Shares or other securities, in each case, without the receipt of consideration by the Company, or, if, as a result of any merger or consolidation, or sale of all or substantially all of the assets of the Company, the outstanding

Shares are converted into or exchanged for other securities of the Company or any successor entity (or a parent or subsidiary thereof), the Committee shall make an appropriate and proportionate adjustment in (i) the maximum number of Shares reserved for issuance under the Plan, (ii) the number and kind of Shares or other securities subject to any then outstanding Awards under the Plan, (iii) the repurchase price, if any, per Share subject to each outstanding Award, and (iv) the exercise price for each Share subject to any then outstanding Stock Options and Stock Appreciation Rights under the Plan, without changing the aggregate exercise price (i.e., the exercise price multiplied by the number of Stock Options and Stock Appreciation Rights) as to which such Stock Options and Stock Appreciation Rights remain exercisable. The Committee shall in any event make such adjustments as may be required by Section 25102(o) of the California Corporation Code and the rules and regulations promulgated thereunder. The adjustment by the Committee shall be final, binding and conclusive. No fractional Shares shall be issued under the Plan resulting from any such adjustment, but the Committee in its discretion may make a cash payment in lieu of fractional shares.

(c) Sale Events.

(i) Options and Stock Appreciation Rights.

(A) In the case of and subject to the consummation of a Sale Event, the Plan and all outstanding Options and Stock Appreciation Rights issued hereunder shall terminate upon the effective time of any such Sale Event unless assumed or continued by the successor entity, or new stock options, Stock Appreciation Rights or other awards of the successor entity or parent thereof are substituted therefor, with an equitable or proportionate adjustment as to the number and kind of shares and, if appropriate, the per share exercise prices, as such parties shall agree (after taking into account any acceleration hereunder and/or pursuant to the terms of any Award Agreement).

(B) In the event of the termination of the Plan and all outstanding Options and Stock Appreciation Rights issued hereunder pursuant to Section 3(c), each Holder of Options and Stock Appreciation Rights shall be permitted, within a period of time prior to the consummation of the Sale Event as specified by the Committee, to exercise all such Options and Stock Appreciation Rights which are then exercisable or will become exercisable as of the effective time of the Sale Event; *provided, however*, that the exercise of Options and Stock Appreciation Rights not exercisable prior to the Sale Event shall be subject to the consummation of the Sale Event.

(C) Notwithstanding anything to the contrary in Section 3(c)(i)(A), in the event of a Sale Event, the Company shall have the right, but not the obligation, to make or provide for a cash payment to the Holders of Options and Stock Appreciation Rights, without any consent of the Holders, in exchange for the cancellation thereof, in an amount equal to the difference between (I) the value as determined by the Committee of the consideration payable per share of Stock pursuant to the Sale Event (the "*Sale Price*") times the number of Shares subject to outstanding Options or and Stock Appreciation Rights being cancelled (to the extent then vested and exercisable, including by reason of acceleration in connection with such Sale Event, at prices not in excess of the Sale Price)

and (II) the aggregate exercise price of all such outstanding vested and exercisable Options or and Stock Appreciation Rights.

(ii) Restricted Stock and Restricted Stock Unit Awards.

(A) In the case of and subject to the consummation of a Sale Event, all unvested Restricted Stock and unvested Restricted Stock Unit Awards (other than those becoming vested as a result of the Sale Event) issued hereunder shall be forfeited immediately prior to the effective time of any such Sale Event unless assumed or continued by the successor entity, or awards of the successor entity or parent thereof are substituted therefor, with an equitable or proportionate adjustment as to the number and kind of shares subject to such awards as such parties shall agree (after taking into account any acceleration hereunder and/or pursuant to the terms of any Award Agreement).

(B) In the event of the forfeiture of Restricted Stock pursuant to Section 3(c)(ii)(A), such Restricted Stock shall be repurchased from the Holder thereof at a price per share equal to the original per share purchase price paid by the Holder (subject to adjustment as provided in Section 3(b)) for such Shares.

(C) Notwithstanding anything to the contrary in Section 3(c)(ii)(A), in the event of a Sale Event, the Company shall have the right, but not the obligation, to make or provide for a cash payment to the Holders of Restricted Stock or Restricted Stock Unit Awards, without consent of the Holders, in exchange for the cancellation thereof, in an amount equal to the Sale Price times the number of Shares subject to such Awards, to be paid at the time of such Sale Event or upon the later vesting of such Awards.

SECTION 4. ELIGIBILITY

Grantees under the Plan will be such full or part-time officers and other employees, directors, Consultants and key persons of the Company and any Subsidiary who are selected from time to time by the Committee in its sole discretion; provided, however, that Awards shall be granted only to those individuals described in Rule 701(c) of the Securities Act.

SECTION 5. STOCK OPTIONS

Upon the grant of a Stock Option, the Company and the grantee shall enter into an Award Agreement. The terms and conditions of each such Award Agreement shall be determined by the Committee, and such terms and conditions may differ among individual Awards and grantees.

Stock Options granted under the Plan may be either Incentive Stock Options or Non-Qualified Stock Options. Incentive Stock Options may be granted only to employees of the Company or any Subsidiary that is a “subsidiary corporation” within the meaning of Section 424(f) of the Code. To the extent that any Option does not qualify as an Incentive Stock Option, it shall be deemed a Non-Qualified Stock Option.

(a) Terms of Stock Options. The Committee in its discretion may grant Stock Options to those individuals who meet the eligibility requirements of Section 4. Stock Options shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem desirable.

(i) Exercise Price. The exercise price per share for the Shares covered by a Stock Option shall be determined by the Committee at the time of grant but shall not be less than 100 percent of the Fair Market Value on the Grant Date. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the exercise price per share for the Shares covered by such Incentive Stock Option shall not be less than 110 percent of the Fair Market Value on the Grant Date.

(ii) Option Term. The term of each Stock Option shall be fixed by the Committee, but no Stock Option shall be exercisable more than ten years from the Grant Date. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the term of such Stock Option shall be no more than five years from the Grant Date.

(iii) Exercisability; Rights of a Stockholder. Stock Options shall become exercisable and/or vested at such time or times, whether or not in installments, as shall be determined by the Committee at or after the Grant Date. The Award Agreement may permit a grantee to exercise all or a portion of a Stock Option immediately at grant; provided that the Shares issued upon such exercise shall be subject to restrictions and a vesting schedule identical to the vesting schedule of the related Stock Option, such Shares shall be deemed to be Restricted Stock for purposes of the Plan, and the optionee may be required to enter into an additional or new Award Agreement as a condition to exercise of such Stock Option. An optionee shall have the rights of a stockholder only as to Shares acquired upon the exercise of a Stock Option and not as to unexercised Stock Options. An optionee shall not be deemed to have acquired any Shares unless and until a Stock Option shall have been exercised pursuant to the terms of the Award Agreement and this Plan and the optionee's name has been entered on the books of the Company as a stockholder.

(iv) Method of Exercise. Stock Options may be exercised by an optionee in whole or in part, by the optionee giving written or electronic notice of exercise to the Company, specifying the number of Shares to be purchased. Payment of the purchase price may be made by one or more of the following methods (or any combination thereof) to the extent provided in the Award Agreement:

(A) In cash, by certified or bank check, by wire transfer of immediately available funds, or other instrument acceptable to the Committee;

(B) If permitted by the Committee, by the optionee delivering to the Company a promissory note, if the Board has expressly authorized the loan of funds to the optionee for the purpose of enabling or assisting the optionee to effect the exercise of his or her Stock Option; provided, that at least so much of the exercise price as represents the par value of the Stock shall be paid in cash if required by state law;

(C) If permitted by the Committee and the Initial Public Offering has occurred (or the Stock otherwise becomes publicly-traded), through the delivery (or attestation to the ownership) of Shares that have been purchased by the optionee on the open market or that are beneficially owned by the optionee and are not then subject to restrictions under any Company plan. To the extent required to avoid variable accounting treatment under ASC 718 or other applicable accounting rules, such surrendered Shares if originally purchased from the Company shall have been owned by the optionee for at least six months. Such surrendered Shares shall be valued at Fair Market Value on the exercise date;

(D) If permitted by the Committee and the Initial Public Offering has occurred (or the Stock otherwise becomes publicly-traded), by the optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company for the purchase price; provided that in the event the optionee chooses to pay the purchase price as so provided, the optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Committee shall prescribe as a condition of such payment procedure; or

(E) If permitted by the Committee, and only with respect to Stock Options that are not Incentive Stock Options, by a “net exercise” arrangement pursuant to which the Company will reduce the number of Shares issuable upon exercise by the largest whole number of Shares with a Fair Market Value that does not exceed the aggregate exercise price.

Payment instruments will be received subject to collection. No certificates for Shares so purchased will be issued to the optionee or, with respect to uncertificated Stock, no transfer to the optionee on the records of the Company will take place, until the Company has completed all steps it has deemed necessary to satisfy legal requirements relating to the issuance and sale of the Shares, which steps may include, without limitation, (i) receipt of a representation from the optionee at the time of exercise of the Option that the optionee is purchasing the Shares for the optionee’s own account and not with a view to any sale or distribution of the Shares or other representations relating to compliance with applicable law governing the issuance of securities, (ii) the legending of the certificate (or notation on any book entry) representing the Shares to evidence the foregoing restrictions, and (iii) obtaining from optionee payment or provision for all withholding taxes due as a result of the exercise of the Option. The delivery of certificates representing the shares of Stock (or the transfer to the optionee on the records of the Company with respect to uncertificated Stock) to be purchased pursuant to the exercise of a Stock Option will be contingent upon (A) receipt from the optionee (or a purchaser acting in his or her stead in accordance with the provisions of the Stock Option) by the Company of the full purchase price for such Shares and the fulfillment of any other requirements contained in the Award Agreement or applicable provisions of laws and (B) if required by the Company, the optionee shall have entered into any stockholders agreements or other agreements with the Company and/or certain other of the Company’s stockholders relating to the Stock. In the event an optionee chooses to pay the purchase price by previously-owned Shares through the attestation method, the number

of Shares transferred to the optionee upon the exercise of the Stock Option shall be net of the number of Shares attested to.

(b) Annual Limit on Incentive Stock Options. To the extent required for “incentive stock option” treatment under Section 422 of the Code, the aggregate Fair Market Value (determined as of the Grant Date) of the Shares with respect to which Incentive Stock Options granted under the Plan and any other plan of the Company or its parent and any Subsidiary that become exercisable for the first time by an optionee during any calendar year shall not exceed \$100,000 or such other limit as may be in effect from time to time under Section 422 of the Code. To the extent that any Stock Option exceeds this limit, it shall constitute a Non-Qualified Stock Option.

(c) Termination. Any portion of a Stock Option that is not vested and exercisable on the date of termination of an optionee’s Service Relationship shall immediately expire and be null and void. Once any portion of the Stock Option becomes vested and exercisable, the optionee’s right to exercise such portion of the Stock Option (or the optionee’s representatives and legatees as applicable) in the event of a termination of the optionee’s Service Relationship shall continue until the earliest of: (i) the date which is: (A) 12 months following the date on which the optionee’s Service Relationship terminates due to death or Disability (or such longer period of time as determined by the Committee and set forth in the applicable Award Agreement), or (B) three months following the date on which the optionee’s Service Relationship terminates if the termination is due to any reason other than death or Disability (or such longer period of time as determined by the Committee and set forth in the applicable Award Agreement), or (ii) the Expiration Date set forth in the Award Agreement; provided that notwithstanding the foregoing, an Award Agreement may provide that if the optionee’s Service Relationship is terminated for Cause, the Stock Option shall terminate immediately and be null and void upon the date of the optionee’s termination and shall not thereafter be exercisable.

#### SECTION 6. STOCK APPRECIATION RIGHTS.

Upon the grant of a Stock Appreciation Right, the Company and the grantee shall enter into an Award Agreement. The terms and conditions of each such Award Agreement shall be determined by the Committee, and such terms and conditions may differ among individual Awards and grantees

(a) Terms of Stock Appreciation Rights. The Committee in its discretion may grant Stock Appreciation Rights to those individuals who meet the eligibility requirements of Section 4. Stock Appreciation Rights shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem desirable.

(i) Exercise Price. The exercise price per share for the Shares covered by a Stock Appreciation Right shall be determined by the Committee at the time of grant but shall not be less than 100 percent of the Fair Market Value on the Grant Date.

(ii) Stock Appreciation Right Term. The term of each Stock Appreciation Right shall be fixed by the Committee, but no Stock Appreciation Right shall be exercisable more than ten years from the Grant Date.

(iii) Exercisability; Rights of a Stockholder. Stock Appreciation Rights shall become exercisable and/or vested at such time or times, whether or not in installments, as shall be determined by the Committee at or after the Grant Date. For Stock Appreciation Rights settled in Shares, a grantee shall have the rights of a stockholder only as to Shares acquired upon the exercise of a Stock Appreciation Right and not as to unexercised Stock Appreciation Rights. For Stock Appreciation Rights settled in Shares, a grantee shall not be deemed to have acquired any Shares unless and until a Stock Appreciation Right shall have been exercised pursuant to the terms of the Award Agreement and this Plan and the grantee's name has been entered on the books of the Company as a stockholder. For Stock Appreciation Rights settled in cash, a grantee shall not have any rights of a stockholder.

(b) Termination. Any portion of a Stock Appreciation Right that is not vested and exercisable on the date of termination of an optionee's Service Relationship shall immediately expire and be null and void. Once any portion of the Stock Appreciation Right becomes vested and exercisable, the grantee's right to exercise such portion of the Stock Appreciation Right (or the grantee's representatives and legatees as applicable) in the event of a termination of the grantee's Service Relationship shall continue until the earliest of: (i) the date which is: (A) 12 months following the date on which the grantee's Service Relationship terminates due to death or Disability (or such longer period of time as determined by the Committee and set forth in the applicable Award Agreement), or (B) three months following the date on which the grantee's Service Relationship terminates if the termination is due to any reason other than death or Disability (or such longer period of time as determined by the Committee and set forth in the applicable Award Agreement), or (ii) the Expiration Date set forth in the Award Agreement; *provided*, that notwithstanding the foregoing, an Award Agreement may provide that if the grantee's Service Relationship is terminated for Cause, the Stock Appreciation Right shall terminate immediately and be null and void upon the date of the optionee's termination and shall not thereafter be exercisable.

#### SECTION 7. RESTRICTED STOCK AWARDS.

(a) Nature of Restricted Stock Awards. The Committee may, in its sole discretion, grant (or sell at par value or such other purchase price determined by the Committee) to an eligible individual under Section 4 hereof a Restricted Stock Award under the Plan. The Committee shall determine the restrictions and conditions applicable to each Restricted Stock Award at the time of grant. Conditions may be based on continuing employment (or other Service Relationship), achievement of pre-established performance goals and objectives and/or such other criteria as the Committee may determine. Upon the grant of a Restricted Stock Award, the Company and the grantee shall enter into an Award Agreement. The terms and conditions of each such Award Agreement shall be determined by the Committee, and such terms and conditions may differ among individual Awards and grantees.

(b) Rights as a Stockholder. Upon the grant of the Restricted Stock Award and payment of any applicable purchase price, a grantee of Restricted Stock shall be considered the



record owner of and shall be entitled to vote the Restricted Stock if, and to the extent, such Shares are entitled to voting rights, subject to such conditions contained in the Award Agreement. The grantee shall be entitled to receive all dividends and any other distributions declared on the Shares; provided, however, that the Company is under no duty to declare any such dividends or to make any such distribution. Unless the Committee shall otherwise determine, certificates evidencing the Restricted Stock shall remain in the possession of the Company until such Restricted Stock is vested as provided in subsection (d) below of this Section, and the grantee shall be required, as a condition of the grant, to deliver to the Company a stock power endorsed in blank and such other instruments of transfer as the Committee may prescribe.

(c) Restrictions. Restricted Stock may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided herein or in the Award Agreement. Except as may otherwise be provided by the Committee either in the Award Agreement or, subject to Section 13 below, in writing after the Award Agreement is issued, if a grantee's Service Relationship with the Company and any Subsidiary terminates, the Company or its assigns shall have the right, as may be specified in the relevant instrument, to repurchase some or all of the Shares subject to the Award at such purchase price as is set forth in the Award Agreement.

(d) Vesting of Restricted Stock. The Committee at the time of grant shall specify in the Award Agreement the date or dates and/or the attainment of pre-established performance goals, objectives and other conditions on which the substantial risk of forfeiture imposed shall lapse and the Restricted Stock shall become vested, subject to such further rights of the Company or its assigns as may be specified in the Award Agreement.

#### SECTION 8 UNRESTRICTED STOCK AWARDS

The Committee may, in its sole discretion, grant (or sell at par value or such other purchase price determined by the Committee) to an eligible person under Section 4 hereof an Unrestricted Stock Award under the Plan. Unrestricted Stock Awards may be granted in respect of past services or other valid consideration, or in lieu of cash compensation due to such grantee.

#### SECTION 9. RESTRICTED STOCK UNITS

(a) Nature of Restricted Stock Units. The Committee may, in its sole discretion, grant to an eligible person under Section 4 hereof Restricted Stock Units under the Plan. The Committee shall determine the restrictions and conditions applicable to each Restricted Stock Unit at the time of grant. Vesting conditions may be based on continuing employment (or other Service Relationship), achievement of pre-established performance goals and objectives and/or other such criteria as the Committee may determine. Upon the grant of Restricted Stock Units, the grantee and the Company shall enter into an Award Agreement. The terms and conditions of each such Award Agreement shall be determined by the Committee and may differ among individual Awards and grantees. On or promptly following the vesting date or dates applicable to any Restricted Stock Unit, but in no event later than March 15 of the year following the year in which such vesting occurs, such Restricted Stock Unit(s) shall be settled in the form of cash or

shares of Stock, as specified in the Award Agreement. Restricted Stock Units may not be sold, assigned, transferred, pledged, or otherwise encumbered or disposed of.

(b) Rights as a Stockholder. A grantee shall have the rights of a stockholder only as to Shares, if any, acquired upon settlement of Restricted Stock Units. A grantee shall not be deemed to have acquired any such Shares unless and until the Restricted Stock Units shall have been settled in Shares pursuant to the terms of the Plan and the Award Agreement, the Company shall have issued and delivered a certificate representing the Shares to the grantee (or transferred on the records of the Company with respect to uncertificated stock), and the grantee's name has been entered in the books of the Company as a stockholder.

(c) Termination. Except as may otherwise be provided by the Committee either in the Award Agreement or in writing after the Award Agreement is issued, a grantee's right in all Restricted Stock Units that have not vested shall automatically terminate upon the grantee's cessation of Service Relationship with the Company and any Subsidiary for any reason.

#### SECTION 10. TRANSFER RESTRICTIONS; COMPANY RIGHT OF FIRST REFUSAL; COMPANY REPURCHASE RIGHTS

(a) Restrictions on Transfer.

(i) Non-Transferability of Stock Options and Stock Appreciation Rights. Stock Options, Stock Appreciation Rights and, prior to exercise, the Shares issuable upon exercise of such Stock Option or Stock Appreciation Right, shall not be transferable by the optionee or grantee otherwise than by will, or by the laws of descent and distribution, and all Stock Options and Stock Appreciation Rights shall be exercisable, during the optionee's or grantee's lifetime, only by the optionee or grantee, or by the optionee's or grantee's legal representative or guardian in the event of the optionee's incapacity. Notwithstanding the foregoing, the Committee, in its sole discretion, may provide in the Award Agreement regarding a given Stock Option or Stock Appreciation Rights that the optionee or grantee may transfer by gift, without consideration for the transfer, his or her Non-Qualified Stock Options or Stock Appreciation Rights to his or her family members (as defined in Rule 701 of the Securities Act), to trusts for the benefit of such family members, or to partnerships in which such family members are the only partners (to the extent such trusts or partnerships are considered "family members" for purposes of Rule 701 of the Securities Act), provided that the transferee agrees in writing with the Company to be bound by all of the terms and conditions of this Plan and the applicable Award Agreement, including the execution of a stock power upon the issuance of Shares, if applicable. Stock Options, Stock Appreciation Rights and the Shares issuable upon exercise of such Stock Options or Stock Appreciation Rights, if applicable, shall be restricted as to any pledge, hypothecation, or other transfer, including any short position, any "put equivalent position" (as defined in the Exchange Act) or any "call equivalent position" (as defined in the Exchange Act) prior to exercise.

(ii) Shares. No Shares shall be sold, assigned, transferred, pledged, hypothecated, given away or in any other manner disposed of or encumbered, whether voluntarily or by operation of law, unless (i) the transfer is in compliance with the terms of the applicable Award Agreement, all applicable securities laws (including, without limitation, the

Securities Act), and with the terms and conditions of this Section 10, (ii) the transfer does not cause the Company to become subject to the reporting requirements of the Exchange Act, and (iii) the transferee consents in writing to be bound by the provisions of the Plan and the Award Agreement, including this Section 10. In connection with any proposed transfer, the Committee may require the transferor to provide at the transferor's own expense an opinion of counsel to the transferor, satisfactory to the Committee, that such transfer is in compliance with all foreign, federal and state securities laws (including, without limitation, the Securities Act). Any attempted transfer of Shares not in accordance with the terms and conditions of this Section 10 shall be null and void, and the Company shall not reflect on its records any change in record ownership of any Shares as a result of any such transfer, shall otherwise refuse to recognize any such transfer and shall not in any way give effect to any such transfer of Shares. The Company shall be entitled to seek protective orders, injunctive relief and other remedies available at law or in equity including, without limitation, seeking specific performance or the rescission of any transfer not made in strict compliance with the provisions of this Section 10. Subject to the foregoing general provisions, and unless otherwise provided in the applicable Award Agreement, Shares may be transferred pursuant to the following specific terms and conditions (provided that with respect to any transfer of Restricted Stock, all vesting and forfeiture provisions shall continue to apply with respect to the original recipient):

(A) Transfers to Permitted Transferees. The Holder may transfer any or all of the Shares to one or more Permitted Transferees; *provided, however*, that following such transfer, such Shares shall continue to be subject to the terms of this Plan (including this Section 10) and such Permitted Transferee(s) shall, as a condition to any such transfer, deliver a written acknowledgment to that effect to the Company and shall deliver a stock power to the Company with respect to the Shares. Notwithstanding the foregoing, the Holder may not transfer any of the Shares to a Person whom the Company reasonably determines is a direct competitor or a potential competitor of the Company or any of its Subsidiaries.

(B) Transfers Upon Death. Upon the death of the Holder, any Shares then held by the Holder at the time of such death and any Shares acquired after the Holder's death by the Holder's legal representative shall be subject to the provisions of this Plan, and the Holder's estate, executors, administrators, personal representatives, heirs, legatees and distributees shall be obligated to convey such Shares to the Company or its assigns under the terms contemplated by the Plan and the Award Agreement.

(b) Right of First Refusal. In the event that a Holder desires at any time to sell or otherwise transfer all or any part of his or her Shares (other than shares of Restricted Stock which by their terms are not transferrable), the Holder first shall give written notice to the Company of the Holder's intention to make such transfer. Such notice shall state the number of Shares that the Holder proposes to sell (the "*Offered Shares*"), the price and the terms at which the proposed sale is to be made and the name and address of the proposed transferee. At any time within 30 days after the receipt of such notice by the Company, the Company or its assigns may elect to purchase all or any portion of the Offered Shares at the price and on the terms offered by the proposed transferee and specified in the notice. The Company or its assigns shall exercise this right by mailing or delivering written notice to the Holder within the foregoing 30-day period. If

the Company or its assigns elect to exercise its purchase rights under this Section 10(b), the closing for such purchase shall, in any event, take place within 45 days after the receipt by the Company of the initial notice from the Holder. In the event that the Company or its assigns do not elect to exercise such purchase right, or in the event that the Company or its assigns do not pay the full purchase price within such 45-day period, the Holder shall be required to pay a transaction processing fee of \$10,000 to the Company (unless waived by the Committee) and then may, within 60 days thereafter, sell the Offered Shares to the proposed transferee and at the same price and on the same terms as specified in the Holder's notice. Any Shares not sold to the proposed transferee shall remain subject to the Plan. If the Holder is a party to any stockholders agreements or other agreements with the Company and/or certain other of the Company's stockholders relating to the Shares, (i) the transferring Holder shall comply with the requirements of such stockholders agreements or other agreements relating to any proposed transfer of the Offered Shares, and (ii) any proposed transferee that purchases Offered Shares shall enter into such stockholders agreements or other agreements with the Company and/or certain of the Company's stockholders relating to the Offered Shares on the same terms and in the same capacity as the transferring Holder.

(c) Company's Right of Repurchase.

(i) Right of Repurchase for Unvested Shares Issued Upon the Exercise of an Option. Upon a Termination Event, the Company or its assigns shall have the right and option to repurchase from a Holder of Shares acquired upon exercise of a Stock Option which are still subject to a risk of forfeiture as of the Termination Event. Such repurchase rights may be exercised by the Company within the later of (A) six months following the date of such Termination Event or (B) seven months after the acquisition of Shares upon exercise of a Stock Option. The repurchase price shall be equal to the lower of the original per share price paid by the Holder, subject to adjustment as provided in Section 3(b) of the Plan, or the current Fair Market Value of such Shares as of the date the Company elects to exercise its repurchase rights.

(ii) Right of Repurchase With Respect to Restricted Stock. Upon a Termination Event, the Company or its assigns shall have the right and option to repurchase from a Holder of Shares received pursuant to a Restricted Stock Award any Shares that are still subject to a risk of forfeiture as of the Termination Event. Such repurchase right may be exercised by the Company within six months following the date of such Termination Event. The repurchase price shall be the lower of the original per share purchase price paid by the Holder, subject to adjustment as provided in Section 3(b) of the Plan, or the current Fair Market Value of such Shares as of the date the Company elects to exercise its repurchase rights.

(iii) Procedure. Any repurchase right of the Company shall be exercised by the Company or its assigns by giving the Holder written notice on or before the last day of the repurchase period of its intention to exercise such repurchase right. Upon such notification, the Holder shall promptly surrender to the Company, free and clear of any liens or encumbrances, any certificates representing the Shares being purchased, together with a duly executed stock power for the transfer of such Shares to the Company or the Company's assignee or assignees. Upon the Company's or its assignee's receipt of the certificates from the Holder, the Company or its assignee or assignees shall deliver to him, her or them a check for the applicable repurchase

price; *provided, however*, that the Company may pay the repurchase price by offsetting and canceling any indebtedness then owed by the Holder to the Company.

(d) Reserved.

(e) Escrow Arrangement.

(i) Escrow. In order to carry out the provisions of this Section 10 of this Plan more effectively, the Company shall hold any Shares issued pursuant to Awards granted under the Plan in escrow together with separate stock powers executed by the Holder in blank for transfer. The Company shall not dispose of the Shares except as otherwise provided in this Plan. In the event of any repurchase by the Company (or any of its assigns), the Company is hereby authorized by the Holder, as the Holder's attorney-in-fact, to date and complete the stock powers necessary for the transfer of the Shares being purchased and to transfer such Shares in accordance with the terms hereof. At such time as any Shares are no longer subject to the Company's repurchase and first refusal rights, the Company shall, at the written request of the Holder, deliver to the Holder a certificate representing such Shares with the balance of the Shares to be held in escrow pursuant to this Section.

(ii) Remedy. Without limitation of any other provision of this Plan or other rights, in the event that a Holder or any other Person is required to sell a Holder's Shares pursuant to the provisions of Sections 10(b) or (c) hereof and in the further event that he or she refuses or for any reason fails to deliver to the Company or its designated purchaser of such Shares the certificate or certificates evidencing such Shares together with a related stock power, the Company or such designated purchaser may deposit the applicable purchase price for such Shares with a bank designated by the Company, or with the Company's independent public accounting firm, as agent or trustee, or in escrow, for such Holder or other Person, to be held by such bank or accounting firm for the benefit of and for delivery to him, her, them or it, and/or, in its discretion, pay such purchase price by offsetting any indebtedness then owed by such Holder as provided above. Upon any such deposit and/or offset by the Company or its designated purchaser of such amount and upon notice to the Person who was required to sell the Shares to be sold pursuant to the provisions of Sections 10(b) or (c), such Shares shall at such time be deemed to have been sold, assigned, transferred and conveyed to such purchaser, such Holder shall have no further rights thereto (other than the right to withdraw the payment thereof held in escrow, if applicable), and the Company shall record such transfer in its stock transfer book or in any appropriate manner.

(f) Lockup Provision. If requested by the Company, a Holder shall not sell or otherwise transfer or dispose of any Shares (including, without limitation, pursuant to Rule 144 under the Securities Act) held by him or her for such period following the effective date of a public offering by the Company of Shares as the Company shall specify reasonably and in good faith. If requested by the underwriter engaged by the Company, each Holder shall execute a separate letter confirming his or her agreement to comply with this Section.

(g) Adjustments for Changes in Capital Structure. If, as a result of any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Common Stock, the outstanding Shares are increased or decreased or

are exchanged for a different number or kind of securities of the Company, the restrictions contained in this Section 10 shall apply with equal force to additional and/or substitute securities, if any, received by Holder in exchange for, or by virtue of his or her ownership of, Shares.

(h) Termination. The terms and provisions of Section 10(b) and Section 10(c) (except for the Company's right to repurchase Shares still subject to a risk of forfeiture upon a Termination Event) shall terminate upon the closing of the Company's Initial Public Offering or upon consummation of any Sale Event, in either case as a result of which Shares are registered under Section 12 of the Exchange Act and publicly-traded on any national security exchange.

#### SECTION 11. TAX WITHHOLDING

(a) Payment by Grantee. Each grantee shall, no later than the date as of which the value of an Award or of any Shares or other amounts received thereunder first becomes includable in the gross income of the grantee for income tax purposes, pay to the Company, or make arrangements satisfactory to the Committee regarding payment of, any Federal, state, or local taxes of any kind required by law to be withheld by the Company with respect to such income. The Company and any Subsidiary shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the grantee. The Company's obligation to deliver stock certificates (or evidence of book entry) to any grantee is subject to and conditioned on any such tax withholding obligations being satisfied by the grantee.

(b) Payment in Stock. The Company's required tax withholding obligation may be satisfied, in whole or in part, by the Company (i) withholding from Shares to be issued pursuant to an Award a number of Shares having an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due or (ii) causing its transfer agent to sell a number of Shares with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due and remitting the proceeds from such sale to the Company.

#### SECTION 12. SECTION 409A AWARDS

To the extent that any Award is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A (a "409A Award"), the Award shall be subject to such additional rules and requirements as may be specified by the Committee from time to time. In this regard, if any amount under a 409A Award is payable upon a "separation from service" (within the meaning of Section 409A) to a grantee who is considered a "specified employee" (within the meaning of Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the grantee's separation from service, or (ii) the grantee's death, but only to the extent such delay is necessary to prevent such payment from being subject to interest, penalties and/or additional tax imposed pursuant to Section 409A. The Company makes no representation or warranty and shall have no liability to any grantee under the Plan or any other Person with respect to any penalties or taxes under Section 409A that are, or may be, imposed with respect to any Award.

### SECTION 13. AMENDMENTS AND TERMINATION

The Board may, at any time, amend or discontinue the Plan and the Committee may, at any time, amend or cancel any outstanding Award for the purpose of satisfying changes in law or for any other lawful purpose, but no such action shall adversely affect rights under any outstanding Award without the consent of the holder of the Award. The Committee may exercise its discretion to reduce the exercise price of outstanding Stock Options or Stock Appreciation Rights or effect repricing through cancellation of outstanding Stock Options or Stock Appreciation Rights and by granting such holders new Awards in replacement of the cancelled Stock Options or Stock Appreciation Rights. To the extent determined by the Committee to be required either by the Code to ensure that Incentive Stock Options granted under the Plan are qualified under Section 422 of the Code or otherwise, Plan amendments shall be subject to approval by the Company stockholders entitled to vote at a meeting of stockholders. Nothing in this Section 13 shall limit the Board's or Committee's authority to take any action permitted pursuant to Section 3(c). The Board reserves the right to amend the Plan and/or the terms of any outstanding Stock Options to the extent reasonably necessary to comply with the requirements of the exemption pursuant to paragraph (f)(4) of Rule 12h-1 of the Exchange Act.

### SECTION 14. STATUS OF PLAN

With respect to the portion of any Award that has not been exercised and any payments in cash, Stock or other consideration not received by a grantee, a grantee shall have no rights greater than those of a general creditor of the Company unless the Committee shall otherwise expressly so determine in connection with any Award.

### SECTION 15. GENERAL PROVISIONS

(a) No Distribution; Compliance with Legal Requirements. The Committee may require each person acquiring Shares pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the Shares without a view to distribution thereof. No Shares shall be issued pursuant to an Award until all applicable securities law and other legal and stock exchange or similar requirements have been satisfied. The Committee may require the placing of such stop-orders and restrictive legends on certificates for Stock and Awards as it deems appropriate.

(b) Delivery of Stock Certificates. Stock certificates to grantees under the Plan shall be deemed delivered for all purposes when the Company or a stock transfer agent of the Company shall have mailed such certificates in the United States mail, addressed to the grantee, at the grantee's last known address on file with the Company; provided that stock certificates to be held in escrow pursuant to Section 10 of the Plan shall be deemed delivered when the Company shall have recorded the issuance in its records. Uncertificated Stock shall be deemed delivered for all purposes when the Company or a stock transfer agent of the Company shall have given to the grantee by electronic mail (with proof of receipt) or by United States mail, addressed to the grantee, at the grantee's last known address on file with the Company, notice of issuance and recorded the issuance in its records (which may include electronic "book entry" records).

(c) No Employment Rights. The adoption of the Plan and the grant of Awards do not confer upon any Person any right to continued employment or Service Relationship with the Company or any Subsidiary.

(d) Trading Policy Restrictions. Option exercises and other Awards under the Plan shall be subject to the Company's insider trading policy-related restrictions, terms and conditions as may be established by the Committee, or in accordance with policies set by the Committee, from time to time.

(e) Designation of Beneficiary. Each grantee to whom an Award has been made under the Plan may designate a beneficiary or beneficiaries to exercise any Award on or after the grantee's death or receive any payment under any Award payable on or after the grantee's death. Any such designation shall be on a form provided for that purpose by the Committee and shall not be effective until received by the Committee. If no beneficiary has been designated by a deceased grantee, or if the designated beneficiaries have predeceased the grantee, the beneficiary shall be the grantee's estate.

(f) Legend. Any certificate(s) representing the Shares shall carry substantially the following legend (and with respect to uncertificated Stock, the book entries evidencing such shares shall contain the following notation):

The transferability of this certificate and the shares of stock represented hereby are subject to the restrictions, terms and conditions (including repurchase and restrictions against transfers) contained in the AbSci, Inc. 2020 Stock Option and Grant Plan and any agreements entered into thereunder by and between the company and the holder of this certificate (a copy of which is available at the offices of the company for examination).

(g) Information to Holders of Options. In the event the Company is relying on the exemption from the registration requirements of Section 12(g) of the Exchange Act contained in paragraph (f)(1) of Rule 12h-1 of the Exchange Act, the Company shall provide the information described in Rule 701(e)(3), (4) and (5) of the Securities Act to all holders of Options in accordance with the requirements thereunder. The foregoing notwithstanding, the Company shall not be required to provide such information unless the optionholder has agreed in writing, on a form prescribed by the Company, to keep such information confidential.

#### SECTION 16. EFFECTIVE DATE OF PLAN

The Plan shall become effective upon adoption by the Board and shall be approved by stockholders in accordance with applicable state law and the Company's articles of incorporation and bylaws within 12 months thereafter. If the stockholders fail to approve the Plan within 12 months after its adoption by the Board of Directors, then any Awards granted or sold under the Plan shall be rescinded and no additional grants or sales shall thereafter be made under the Plan. Subject to such approval by stockholders and to the requirement that no Shares may be issued hereunder prior to such approval, Stock Options and other Awards may be granted hereunder on and after adoption of the Plan by the Board. No grants of Stock Options and other Awards may



be made hereunder after the tenth anniversary of the date the Plan is adopted by the Board or the date the Plan is approved by the Company's stockholders, whichever is earlier.

SECTION 17. GOVERNING LAW

This Plan, all Awards and any controversy arising out of or relating to this Plan and all Awards shall be governed by and construed in accordance with the internal laws 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.

DATE ADOPTED BY THE BOARD OF DIRECTORS: October 16, 2020

DATE APPROVED BY THE STOCKHOLDERS October 16, 2020

**INCENTIVE STOCK OPTION GRANT NOTICE  
UNDER THE ABSCI CORPORATION  
2020 STOCK OPTION AND GRANT PLAN**

Pursuant to the AbSci Corporation 2020 Stock Option and Grant Plan (the "Plan"), AbSci Corporation, a Delaware corporation (together with any successor, the "Company"), has granted to the individual named below, an option (the "Stock Option") to purchase on or prior to the Expiration Date, or such earlier date as is specified herein, all or any part of the number of shares of Common Stock, par value \$0.0001 per share ("Common Stock"), of the Company indicated below (the "Shares"), at the Option Exercise Price per share, subject to the terms and conditions set forth in this Incentive Stock Option Grant Notice (the "Grant Notice"), the attached Incentive Stock Option Agreement (the "Agreement") and the Plan. This Stock Option is intended to qualify as an "incentive stock option" as defined in Section 422(b) of the Internal Revenue Code of 1986, as amended from time to time (the "Code"). To the extent that any portion of the Stock Option does not so qualify, it shall be deemed a non-qualified stock option.

Name of Optionee: \_\_\_\_\_ (the "Optionee")

No. of Shares: \_\_\_\_\_ Shares of Common Stock

Grant Date: \_\_\_\_\_

Vesting Commencement Date: \_\_\_\_\_ (the "Vesting Commencement Date")

Expiration Date: \_\_\_\_\_ (the "Expiration Date")

Option Exercise Price/Share: \$ \_\_\_\_\_ (the "Option Exercise Price")

Vesting Schedule: 25% of the Shares shall vest and become exercisable on the first anniversary of the Vesting Commencement Date; provided that the Optionee continues to have a Service Relationship with the Company at such time. Thereafter, the remaining 75% percent of the Shares shall vest and become exercisable in 36 equal monthly installments following the first anniversary of the Vesting Commencement Date, provided the Optionee continues to have a Service Relationship with the Company on each vesting date. Notwithstanding anything in the Agreement to the contrary, in the case of a Sale Event, this Stock Option and the Shares shall be treated as provided in Section 3(c) of the Plan **provided; however INSERT ANY ACCELERATED VESTING PROVISION HERE.**

**Attachments:** Incentive Stock Option Agreement, 2020 Stock Option and Grant Plan

**INCENTIVE STOCK OPTION AGREEMENT  
UNDER THE ABSCI CORPORATION  
2020 STOCK OPTION AND GRANT PLAN**

All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Grant Notice and the Plan.

**SECTION 18. VESTING, EXERCISABILITY AND TERMINATION.**

(a) No portion of this Stock Option may be exercised until such portion shall have vested and become exercisable.

(b) Except as set forth below, and subject to the determination of the Committee in its sole discretion to accelerate the vesting schedule hereunder, this Stock Option shall be vested and exercisable on the respective dates indicated below:

(i) This Stock Option shall initially be unvested and unexercisable.

(ii) This Stock Option shall vest and become exercisable in accordance with the Vesting Schedule set forth in the Grant Notice.

(c) Termination. Except as may otherwise be provided by the Committee, if the Optionee's Service Relationship is terminated, the period within which to exercise this Stock Option will be subject to earlier termination as set forth below (and if not exercised within such period, shall thereafter terminate subject, in each case, to Section 3(c) of the Plan):

(i) Termination Due to Death or Disability. If the Optionee's Service Relationship terminates by reason of such Optionee's death or Disability, this Stock Option may be exercised, to the extent exercisable on the date of such termination, by the Optionee, the Optionee's legal representative or legatee for a period of 12 months from the date of death or Disability or until the Expiration Date, if earlier.

(ii) Other Termination. If the Optionee's Service Relationship terminates for any reason other than death or Disability, and unless otherwise determined by the Committee, this Stock Option may be exercised, to the extent exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier; provided however, if the Optionee's Service Relationship is terminated for Cause, this Stock Option shall terminate immediately upon the date of such termination.

For purposes hereof, the Committee's determination of the reason for termination of the Optionee's Service Relationship shall be conclusive and binding on the Optionee and his or her representatives or legatees. Any portion of this Stock Option that is not vested and exercisable on the date of termination of the Service Relationship shall terminate immediately and be null and void.

(d) It is understood and intended that this Stock Option is intended to qualify as an "incentive stock option" as defined in Section 422 of the Code to the extent permitted under applicable law. Accordingly, the Optionee understands that in order to obtain the benefits of an

incentive stock option under Section 422 of the Code, no sale or other disposition may be made of Shares for which incentive stock option treatment is desired within the one-year period beginning on the day after the day of the transfer of such Shares to him or her, nor within the two-year period beginning on the day after Grant Date of this Stock Option and further that this Stock Option must be exercised within three months after termination of employment as an employee (or 12 months in the case of death or disability) to qualify as an incentive stock option. If the Optionee disposes (whether by sale, gift, transfer or otherwise) of any such Shares within either of these periods, he or she will notify the Company within 30 days after such disposition. The Optionee also agrees to provide the Company with any information concerning any such dispositions required by the Company for tax purposes. Further, to the extent this Stock Option and any other incentive stock options of the Optionee having an aggregate Fair Market Value in excess of \$100,000 (determined as of the Grant Date) first become exercisable in any year, such options will not qualify as incentive stock options.

SECTION 19. EXERCISE OF STOCK OPTION.

(a) The Optionee may exercise this Stock Option only in the following manner: Prior to the Expiration Date, the Optionee may deliver a Stock Option exercise notice (an "Exercise Notice") in the form of Appendix A hereto indicating his or her election to purchase some or all of the Shares with respect to which this Stock Option is then exercisable. Such notice shall specify the number of Shares to be purchased. Payment of the purchase price may be made by one or more of the methods described in Section 5 of the Plan, subject to the limitations contained in such Section of the Plan, including the requirement that the Committee specifically approve in advance certain payment methods.

(b) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date.

SECTION 20. INCORPORATION OF PLAN. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THIS STOCK OPTION SHALL BE SUBJECT TO AND GOVERNED BY ALL THE TERMS AND CONDITIONS OF THE PLAN.

SECTION 21. TRANSFERABILITY OF STOCK OPTION. THIS STOCK OPTION IS PERSONAL TO THE OPTIONEE AND IS NOT TRANSFERABLE BY THE OPTIONEE IN ANY MANNER OTHER THAN BY WILL OR BY THE LAWS OF DESCENT AND DISTRIBUTION. THE STOCK OPTION MAY BE EXERCISED DURING THE OPTIONEE'S LIFETIME ONLY BY THE OPTIONEE (OR BY THE OPTIONEE'S GUARDIAN OR PERSONAL REPRESENTATIVE IN THE EVENT OF THE OPTIONEE'S INCAPACITY). THE OPTIONEE MAY ELECT TO DESIGNATE A BENEFICIARY BY PROVIDING WRITTEN NOTICE OF THE NAME OF SUCH BENEFICIARY TO THE COMPANY, AND MAY REVOKE OR CHANGE SUCH DESIGNATION AT ANY TIME BY FILING WRITTEN NOTICE OF REVOCATION OR CHANGE WITH THE COMPANY; SUCH BENEFICIARY MAY EXERCISE THE OPTIONEE'S STOCK OPTION IN THE EVENT OF THE OPTIONEE'S DEATH TO THE EXTENT PROVIDED HEREIN. IF THE OPTIONEE DOES NOT DESIGNATE A BENEFICIARY, OR IF THE

DESIGNATED BENEFICIARY PREDECEASES THE OPTIONEE, THE LEGAL REPRESENTATIVE OF THE OPTIONEE MAY EXERCISE THIS STOCK OPTION TO THE EXTENT PROVIDED HEREIN IN THE EVENT OF THE OPTIONEE'S DEATH.

SECTION 22. RESTRICTIONS ON TRANSFER OF SHARES. THE SHARES ACQUIRED UPON EXERCISE OF THE STOCK OPTION SHALL BE SUBJECT TO CERTAIN TRANSFER RESTRICTIONS AND OTHER LIMITATIONS INCLUDING, WITHOUT LIMITATION, THE PROVISIONS CONTAINED IN SECTION 10 OF THE PLAN.

SECTION 23. MISCELLANEOUS PROVISIONS.

(a) Equitable Relief. The parties hereto agree and declare that legal remedies may be inadequate to enforce the provisions of this Agreement and that equitable relief, including specific performance and injunctive relief, may be used to enforce the provisions of this Agreement.

(b) Adjustments for Changes in Capital Structure. If, as a result of any reorganization, recapitalization, reincorporation, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Common Stock, the outstanding shares of Common Stock are increased or decreased or are exchanged for a different number or kind of securities of the Company, the restrictions contained in this Agreement shall apply with equal force to additional and/or substitute securities, if any, received by the Optionee in exchange for, or by virtue of his or her ownership of, this Stock Option or Shares acquired pursuant thereto.

(c) Change and Modifications. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by the Company and the Optionee.

(d) Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws 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.

(e) Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

(f) Saving Clause. If any provision(s) of this Agreement shall be determined to be illegal or unenforceable, such determination shall in no manner affect the legality or enforceability of any other provision hereof.

(g) Notices. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the

Company or the Optionee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

(h) Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, assigns, and legal representatives. The Company has the right to assign this Agreement, and such assignee shall become entitled to all the rights of the Company hereunder to the extent of such assignment.

(i) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

(j) Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

#### SECTION 24. DISPUTE RESOLUTION.

(a) Except as provided below, any dispute arising out of or relating to the Plan or this Stock Option, this Agreement, or the breach, termination or validity of the Plan, this Stock Option or this Agreement, shall be finally settled by binding arbitration conducted expeditiously in accordance with the J.A.M.S./Endispute Comprehensive Arbitration Rules and Procedures (the "J.A.M.S. Rules"). The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. Sections 1 16, and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of arbitration shall be in the State of Washington.

(b) The arbitration shall commence within 60 days of the date on which a written demand for arbitration is filed by any party hereto. In connection with the arbitration proceeding, the arbitrator shall have the power to order the production of documents by each party and any third-party witnesses. In addition, each party may take up to three depositions as of right, and the arbitrator may in his or her discretion allow additional depositions upon good cause shown by the moving party. However, the arbitrator shall not have the power to order the answering of interrogatories or the response to requests for admission. In connection with any arbitration, each party to the arbitration shall provide to the other, no later than seven business days before the date of the arbitration, the identity of all persons that may testify at the arbitration and a copy of all documents that may be introduced at the arbitration or considered or used by a party's witness or expert. The arbitrator's decision and award shall be made and delivered within six months of the selection of the arbitrator. The arbitrator's decision shall set forth a reasoned basis for any award of damages or finding of liability. The arbitrator shall not have power to award damages in excess of actual compensatory damages and shall not multiply actual damages or award punitive damages, and each party hereby irrevocably waives any claim to such damages.

(c) The Company, the Optionee, each party to the Agreement and any other holder of Shares issued pursuant to this Agreement (each, a "Party") covenants and agrees that such party will participate in the arbitration in good faith. This Section 7 applies equally to requests for

temporary, preliminary or permanent injunctive relief, except that in the case of temporary or preliminary injunctive relief any party may proceed in court without prior arbitration for the limited purpose of avoiding immediate and irreparable harm.

(d) Each Party (i) hereby irrevocably submits to the jurisdiction of any United States District Court of competent jurisdiction for the purpose of enforcing the award or decision in any such proceeding, (ii) hereby waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above named courts, that its property is exempt or immune from attachment or execution (except as protected by applicable law), that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court, and (iii) hereby waives and agrees not to seek any review by any court of any other jurisdiction which may be called upon to grant an enforcement of the judgment of any such court. Each Party hereby consents to service of process by registered mail at the address to which notices are to be given. Each Party agrees that its, his or her submission to jurisdiction and its, his or her consent to service of process by mail is made for the express benefit of each other Party. Final judgment against any Party in any such action, suit or proceeding may be enforced in other jurisdictions by suit, action or proceeding on the judgment, or in any other manner provided by or pursuant to the laws of such other jurisdiction.

SECTION 25. WAIVER OF STATUTORY INFORMATION RIGHTS. THE OPTIONEE UNDERSTANDS AND AGREES THAT, BUT FOR THE WAIVER MADE HEREIN, THE OPTIONEE WOULD BE ENTITLED, UPON WRITTEN DEMAND UNDER OATH STATING THE PURPOSE THEREOF, TO INSPECT FOR ANY PROPER PURPOSE, AND TO MAKE COPIES AND EXTRACTS FROM, THE COMPANY'S STOCK LEDGER, A LIST OF ITS STOCKHOLDERS, AND ITS OTHER BOOKS AND RECORDS, AND THE BOOKS AND RECORDS OF SUBSIDIARIES OF THE COMPANY, IF ANY, UNDER THE CIRCUMSTANCES AND IN THE MANNER PROVIDED IN SECTION 220 OF THE GENERAL CORPORATION LAW OF DELAWARE (ANY AND ALL SUCH RIGHTS, AND ANY AND ALL SUCH OTHER RIGHTS OF THE OPTIONEE AS MAY BE PROVIDED FOR IN SECTION 220, THE "INSPECTION RIGHTS"). IN LIGHT OF THE FOREGOING, UNTIL THE FIRST SALE OF STOCK OF THE COMPANY TO THE GENERAL PUBLIC PURSUANT TO A REGISTRATION STATEMENT FILED WITH AND DECLARED EFFECTIVE BY THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT, THE OPTIONEE HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES THE INSPECTION RIGHTS, WHETHER SUCH INSPECTION RIGHTS WOULD BE EXERCISED OR PURSUED DIRECTLY OR INDIRECTLY PURSUANT TO SECTION 220 OR OTHERWISE, AND COVENANTS AND AGREES NEVER TO DIRECTLY OR INDIRECTLY COMMENCE, VOLUNTARILY AID IN ANY WAY, PROSECUTE, ASSIGN, TRANSFER, OR CAUSE TO BE COMMENCED ANY CLAIM, ACTION, CAUSE OF

ACTION, OR OTHER PROCEEDING TO PURSUE OR EXERCISE THE INSPECTION RIGHTS. THE FOREGOING WAIVER SHALL NOT AFFECT ANY RIGHTS OF A DIRECTOR, IN HIS OR HER CAPACITY AS SUCH, UNDER SECTION 220. THE FOREGOING WAIVER SHALL NOT APPLY TO ANY CONTRACTUAL INSPECTION RIGHTS OF THE OPTIONEE UNDER ANY OTHER WRITTEN AGREEMENT BETWEEN THE OPTIONEE AND THE COMPANY.

[SIGNATURE PAGE FOLLOWS]



The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned as of the date first above written.

**AbSci Corporation**

By: \_\_\_\_\_

Name:

Title:

Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan, including, without limitation, Section 10 thereof, and understands that this Stock Option is subject to the terms of the Plan and of this Agreement. This Agreement is hereby accepted, and the terms and conditions of the Plan, the Grant Notice and this Agreement, SPECIFICALLY INCLUDING THE ARBITRATION PROVISIONS SET FORTH IN SECTION 7 AND THE WAIVER OF STATUTORY INFORMATION RIGHTS SET FORTH IN SECTION 8 OF THIS AGREEMENT, are hereby agreed to, by the undersigned as of the date first above written.

OPTIONEE:

\_\_\_\_\_  
Name:

Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SPOUSE'S CONSENT<sup>1</sup>

I acknowledge that I have read the foregoing Incentive Stock Option Agreement and understand the contents thereof.

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<sup>1</sup> A spouse's consent is recommended only if the Optionee's state of residence is one of the following community property states: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin.

DESIGNATED BENEFICIARY:

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Beneficiary's Address:

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**Appendix A**

**STOCK OPTION EXERCISE NOTICE**

**AbSci Corporation**

Attention: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Pursuant to the terms of the grant notice and stock option agreement between the undersigned and AbSci Corporation (the "Company") dated \_\_\_\_\_ (the "Agreement") under the AbSci Corporation 2020 Stock Option and Grant Plan, I, [Insert Name] \_\_\_\_\_, hereby [Circle One] partially/fully exercise such option by including herein payment in the amount of \$\_\_\_\_\_ representing the purchase price for [Fill in number of Shares] \_\_\_\_\_ Shares. I have chosen the following form(s) of payment:

- |   |   |    |  |
|---|---|----|--|
| ] | [ | 1. | Cash   |
| ] | [ | 2. | Certified or bank check payable to AbSci Corporation                               |
| ] | [ | 3. | Other (as referenced in the Agreement and described in the Plan (please describe)) |

In connection with my exercise of the option as set forth above, I hereby represent and warrant to the Company as follows:

- (i) I am purchasing the Shares for my own account for investment only, and not for resale or with a view to the distribution thereof.
- (ii) I have had such an opportunity as I have deemed adequate to obtain from the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company and have consulted with my own advisers with respect to my investment in the Company.
- (iii) I have sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Shares and to make an informed investment decision with respect to such purchase.
- (iv) I can afford a complete loss of the value of the Shares and am able to bear the economic risk of holding such Shares for an indefinite period of time.
- (v) I understand that the Shares may not be registered under the Securities Act of 1933 (it being understood that the Shares are being issued and sold in reliance on the exemption provided in Rule 701 thereunder) or any applicable state securities or "blue sky" laws and may not be sold or otherwise transferred or disposed of in the absence of an effective registration statement under the Securities Act of 1933 and under any applicable state securities or "blue sky" laws (or exemptions from the registration requirement thereof). I further acknowledge that certificates representing Shares will bear restrictive legends reflecting the

foregoing and/or that book entries for uncertificated Shares will include similar restrictive notations.

(vi) I have read and understand the Plan and acknowledge and agree that the Shares are subject to all of the relevant terms of the Plan, including without limitation, the transfer restrictions set forth in Section 10 of the Plan.

(vii) I understand and agree that the Company has a right of first refusal with respect to the Shares pursuant to Section 10(b) of the Plan.

(viii) I understand and agree that the Company has certain repurchase rights with respect to the Shares pursuant to Section 10(c) of the Plan.

(ix) I understand and agree that I may not sell or otherwise transfer or dispose of the Shares for a period of time following the effective date of a public offering by the Company as described in Section 10(f) of the Plan.

(x) I understand and agree to the waiver of statutory information rights as set forth in Section 8 of the Agreement.

Sincerely yours,

\_\_\_\_\_  
Name:

Address:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_

**NON-QUALIFIED STOCK OPTION GRANT NOTICE  
UNDER THE ABSCI CORPORATION  
2020 STOCK OPTION AND GRANT PLAN**

Pursuant to the AbSci Corporation 2020 Stock Option and Grant Plan (the "Plan"), AbSci Corporation, a Delaware corporation (together with any successor, the "Company"), has granted to the individual named below, an option (the "Stock Option") to purchase on or prior to the Expiration Date, or such earlier date as is specified herein, all or any part of the number of shares of Common Stock, par value \$0.0001 per share ("Common Stock"), of the Company indicated below (the "Shares"), at the Option Exercise Price per share, subject to the terms and conditions set forth in this Non-Qualified Stock Option Grant Notice (the "Grant Notice"), the attached Non-Qualified Stock Option Agreement (the "Agreement") and the Plan. This Stock Option is not intended to qualify as an "incentive stock option" as defined in Section 422(b) of the Internal Revenue Code of 1986, as amended from time to time (the "Code").

Name of Optionee: \_\_\_\_\_ (the "Optionee")

No. of Shares: \_\_\_\_\_ Shares of Common Stock

Grant Date: \_\_\_\_\_

Vesting Commencement Date: \_\_\_\_\_ (the "Vesting Commencement Date")

Expiration Date: \_\_\_\_\_ (the "Expiration Date")

Option Exercise Price/Share: \$ \_\_\_\_\_ (the "Option Exercise Price")

Vesting Schedule: 25% of the Shares shall vest and become exercisable on the first anniversary of the Vesting Commencement Date; provided that the Optionee continues to have a Service Relationship with the Company at such time. Thereafter, the remaining 75% of the Shares shall vest and become exercisable in 36 equal monthly installments following the first anniversary of the Vesting Commencement Date, provided the Optionee continues to have a Service Relationship with the Company on each vesting date. Notwithstanding anything in the Agreement to the contrary, in the case of a Sale Event, this Stock Option and the Shares shall be treated as provided in Section 3(c) of the Plan **provided; however INSERT ANY ACCELERATED VESTING PROVISION HERE.**

**Attachments:** Non-Qualified Stock Option Agreement, 2020 Stock Option and Grant Plan

**NON-QUALIFIED STOCK OPTION AGREEMENT  
UNDER THE ABSCI CORPORATION  
2020 STOCK OPTION AND GRANT PLAN**

All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Grant Notice and the Plan.

**SECTION 26. VESTING, EXERCISABILITY AND TERMINATION.**

(a) No portion of this Stock Option may be exercised until such portion shall have vested and become exercisable.

(b) Except as set forth below, and subject to the determination of the Committee in its sole discretion to accelerate the vesting schedule hereunder, this Stock Option shall be vested and exercisable on the respective dates indicated below:

(i) This Stock Option shall initially be unvested and unexercisable.

(ii) This Stock Option shall vest and become exercisable in accordance with the Vesting Schedule set forth in the Grant Notice.

(c) Termination. Except as may otherwise be provided by the Committee, if the Optionee's Service Relationship is terminated, the period within which to exercise this Stock Option will be subject to earlier termination as set forth below (and if not exercised within such period, shall thereafter terminate subject, in each case, to Section 3(c) of the Plan):

(i) Termination Due to Death or Disability. If the Optionee's Service Relationship terminates by reason of such Optionee's death or Disability, this Stock Option may be exercised, to the extent exercisable on the date of such termination, by the Optionee, the Optionee's legal representative or legatee for a period of 12 months from the date of death or Disability or until the Expiration Date, if earlier.

(ii) Other Termination. If the Optionee's Service Relationship terminates for any reason other than death or Disability, and unless otherwise determined by the Committee, this Stock Option may be exercised, to the extent exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier; provided however, if the Optionee's Service Relationship is terminated for Cause, this Stock Option shall terminate immediately upon the date of such termination.

For purposes hereof, the Committee's determination of the reason for termination of the Optionee's Service Relationship shall be conclusive and binding on the Optionee and his or her representatives or legatees and any Permitted Transferee. Any portion of this Stock Option that is not vested and exercisable on the date of termination of the Service Relationship shall terminate immediately and be null and void.

**SECTION 27. EXERCISE OF STOCK OPTION.**

(a) The Optionee may exercise this Stock Option only in the following manner: Prior to the Expiration Date, the Optionee may deliver a Stock Option exercise notice (an "Exercise

Notice”) in the form of Appendix A hereto indicating his or her election to purchase some or all of the Shares with respect to which this Stock Option is then exercisable. Such notice shall specify the number of Shares to be purchased. Payment of the purchase price may be made by one or more of the methods described in Section 5 of the Plan, subject to the limitations contained in such Section of the Plan, including the requirement that the Committee specifically approve in advance certain payment methods.

(b) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date.



SECTION 28. INCORPORATION OF PLAN. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THIS STOCK OPTION SHALL BE SUBJECT TO AND GOVERNED BY ALL THE TERMS AND CONDITIONS OF THE PLAN.

SECTION 29. TRANSFERABILITY OF STOCK OPTION. THIS STOCK OPTION IS PERSONAL TO THE OPTIONEE AND IS NOT TRANSFERABLE BY THE OPTIONEE IN ANY MANNER OTHER THAN BY WILL OR BY THE LAWS OF DESCENT AND DISTRIBUTION. THE STOCK OPTION MAY BE EXERCISED DURING THE OPTIONEE'S LIFETIME ONLY BY THE OPTIONEE (OR BY THE OPTIONEE'S GUARDIAN OR PERSONAL REPRESENTATIVE IN THE EVENT OF THE OPTIONEE'S INCAPACITY). THE OPTIONEE MAY ELECT TO DESIGNATE A BENEFICIARY BY PROVIDING WRITTEN NOTICE OF THE NAME OF SUCH BENEFICIARY TO THE COMPANY, AND MAY REVOKE OR CHANGE SUCH DESIGNATION AT ANY TIME BY FILING WRITTEN NOTICE OF REVOCATION OR CHANGE WITH THE COMPANY; SUCH BENEFICIARY MAY EXERCISE THE OPTIONEE'S STOCK OPTION IN THE EVENT OF THE OPTIONEE'S DEATH TO THE EXTENT PROVIDED HEREIN. IF THE OPTIONEE DOES NOT DESIGNATE A BENEFICIARY, OR IF THE DESIGNATED BENEFICIARY PREDECEASES THE OPTIONEE, THE LEGAL REPRESENTATIVE OF THE OPTIONEE MAY EXERCISE THIS STOCK OPTION TO THE EXTENT PROVIDED HEREIN IN THE EVENT OF THE OPTIONEE'S DEATH.

SECTION 30. RESTRICTIONS ON TRANSFER OF SHARES. THE SHARES ACQUIRED UPON EXERCISE OF THE STOCK OPTION SHALL BE SUBJECT TO CERTAIN TRANSFER RESTRICTIONS AND OTHER LIMITATIONS INCLUDING, WITHOUT LIMITATION, THE PROVISIONS CONTAINED IN SECTION 10 OF THE PLAN.

SECTION 31. MISCELLANEOUS PROVISIONS.

(a) Equitable Relief. The parties hereto agree and declare that legal remedies may be inadequate to enforce the provisions of this Agreement and that equitable relief, including specific performance and injunctive relief, may be used to enforce the provisions of this Agreement.

(b) Adjustments for Changes in Capital Structure. If, as a result of any reorganization, recapitalization, reincorporation, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Common Stock, the outstanding shares of Common Stock are increased or decreased or are exchanged for a different number or kind of securities of the Company, the restrictions contained in this Agreement shall apply with equal force to additional and/or substitute securities, if any, received by the Optionee in exchange for, or by virtue of his or her ownership of, this Stock Option or Shares acquired pursuant thereto.

(c) Change and Modifications. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be

changed, modified or terminated only by an agreement in writing signed by the Company and the Optionee.

(d) Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws 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.

(e) Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

(f) Saving Clause. If any provision(s) of this Agreement shall be determined to be illegal or unenforceable, such determination shall in no manner affect the legality or enforceability of any other provision hereof.

(g) Notices. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Optionee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

(h) Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, assigns, and legal representatives. The Company has the right to assign this Agreement, and such assignee shall become entitled to all the rights of the Company hereunder to the extent of such assignment.

(i) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

(j) Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

## SECTION 32. DISPUTE RESOLUTION.

(a) Except as provided below, any dispute arising out of or relating to the Plan or this Stock Option, this Agreement, or the breach, termination or validity of the Plan, this Stock Option or this Agreement, shall be finally settled by binding arbitration conducted expeditiously in accordance with the J.A.M.S./Endispute Comprehensive Arbitration Rules and Procedures (the "J.A.M.S. Rules"). The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. Sections 1-16, and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of arbitration shall be in the State of Washington.

(b) The arbitration shall commence within 60 days of the date on which a written demand for arbitration is filed by any party hereto. In connection with the arbitration

proceeding, the arbitrator shall have the power to order the production of documents by each party and any third-party witnesses. In addition, each party may take up to three depositions as of right, and the arbitrator may in his or her discretion allow additional depositions upon good cause shown by the moving party. However, the arbitrator shall not have the power to order the answering of interrogatories or the response to requests for admission. In connection with any arbitration, each party to the arbitration shall provide to the other, no later than seven business days before the date of the arbitration, the identity of all persons that may testify at the arbitration and a copy of all documents that may be introduced at the arbitration or considered or used by a party's witness or expert. The arbitrator's decision and award shall be made and delivered within six months of the selection of the arbitrator. The arbitrator's decision shall set forth a reasoned basis for any award of damages or finding of liability. The arbitrator shall not have power to award damages in excess of actual compensatory damages and shall not multiply actual damages or award punitive damages, and each party hereby irrevocably waives any claim to such damages.

(c) The Company, the Optionee, each party to the Agreement and any other holder of Shares issued pursuant to this Agreement (each, a "Party") covenants and agrees that such party will participate in the arbitration in good faith. This Section 7 applies equally to requests for temporary, preliminary or permanent injunctive relief, except that in the case of temporary or preliminary injunctive relief any party may proceed in court without prior arbitration for the limited purpose of avoiding immediate and irreparable harm.

(d) Each Party (i) hereby irrevocably submits to the jurisdiction of any United States District Court of competent jurisdiction for the purpose of enforcing the award or decision in any such proceeding, (ii) hereby waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above named courts, that its property is exempt or immune from attachment or execution (except as protected by applicable law), that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court, and (iii) hereby waives and agrees not to seek any review by any court of any other jurisdiction which may be called upon to grant an enforcement of the judgment of any such court. Each Party hereby consents to service of process by registered mail at the address to which notices are to be given. Each Party agrees that its, his or her submission to jurisdiction and its, his or her consent to service of process by mail is made for the express benefit of each other Party. Final judgment against any Party in any such action, suit or proceeding may be enforced in other jurisdictions by suit, action or proceeding on the judgment, or in any other manner provided by or pursuant to the laws of such other jurisdiction.

SECTION 33. WAIVER OF STATUTORY INFORMATION RIGHTS. THE OPTIONEE UNDERSTANDS AND AGREES THAT, BUT FOR THE WAIVER MADE HEREIN, THE OPTIONEE WOULD BE ENTITLED, UPON WRITTEN DEMAND UNDER OATH STATING THE PURPOSE THEREOF, TO INSPECT FOR ANY PROPER PURPOSE, AND TO MAKE COPIES AND EXTRACTS FROM, THE COMPANY'S STOCK LEDGER, A LIST OF ITS STOCKHOLDERS, AND ITS OTHER BOOKS AND RECORDS, AND THE

BOOKS AND RECORDS OF SUBSIDIARIES OF THE COMPANY, IF ANY, UNDER THE CIRCUMSTANCES AND IN THE MANNER PROVIDED IN SECTION 220 OF THE GENERAL CORPORATION LAW OF DELAWARE (ANY AND ALL SUCH RIGHTS, AND ANY AND ALL SUCH OTHER RIGHTS OF THE OPTIONEE AS MAY BE PROVIDED FOR IN SECTION 220, THE “INSPECTION RIGHTS”). IN LIGHT OF THE FOREGOING, UNTIL THE FIRST SALE OF STOCK OF THE COMPANY TO THE GENERAL PUBLIC PURSUANT TO A REGISTRATION STATEMENT FILED WITH AND DECLARED EFFECTIVE BY THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT, THE OPTIONEE HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES THE INSPECTION RIGHTS, WHETHER SUCH INSPECTION RIGHTS WOULD BE EXERCISED OR PURSUED DIRECTLY OR INDIRECTLY PURSUANT TO SECTION 220 OR OTHERWISE, AND COVENANTS AND AGREES NEVER TO DIRECTLY OR INDIRECTLY COMMENCE, VOLUNTARILY AID IN ANY WAY, PROSECUTE, ASSIGN, TRANSFER, OR CAUSE TO BE COMMENCED ANY CLAIM, ACTION, CAUSE OF ACTION, OR OTHER PROCEEDING TO PURSUE OR EXERCISE THE INSPECTION RIGHTS. THE FOREGOING WAIVER SHALL NOT AFFECT ANY RIGHTS OF A DIRECTOR, IN HIS OR HER CAPACITY AS SUCH, UNDER SECTION 220. THE FOREGOING WAIVER SHALL NOT APPLY TO ANY CONTRACTUAL INSPECTION RIGHTS OF THE OPTIONEE UNDER ANY OTHER WRITTEN AGREEMENT BETWEEN THE OPTIONEE AND THE COMPANY.

[SIGNATURE PAGE FOLLOWS]

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned as of the date first above written.

**AbSci Corporation**

By: \_\_\_\_\_

Name:

Title:

Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan, including, without limitation, Section 10 thereof, and understands that this Stock Option is subject to the terms of the Plan and of this Agreement. This Agreement is hereby accepted, and the terms and conditions of the Plan, the Grant Notice and this Agreement, SPECIFICALLY INCLUDING THE ARBITRATION PROVISIONS SET FORTH IN SECTION 7 AND THE WAIVER OF STATUTORY INFORMATION RIGHTS SET FORTH IN SECTION 8 OF THIS AGREEMENT, are hereby agreed to, by the undersigned as of the date first above written.

OPTIONEE:

\_\_\_\_\_  
Name:

Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SPOUSE'S CONSENT<sup>2</sup>

I acknowledge that I have read the foregoing Non-Qualified  
Stock Option Agreement  
and understand the contents thereof.

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<sup>2</sup> A spouse's consent is recommended only if the Optionee's state of residence is one of the following community property states: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin.

DESIGNATED BENEFICIARY:

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Beneficiary's Address:

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**Appendix A**

**STOCK OPTION EXERCISE NOTICE**

**AbSci Corporation**

Attention: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Pursuant to the terms of the grant notice and stock option agreement between the undersigned and AbSci Corporation (the "Company") dated \_\_\_\_\_ (the "Agreement") under the AbSci Corporation 2020 Stock Option and Grant Plan, I, [Insert Name] \_\_\_\_\_, hereby [Circle One] partially/fully exercise such option by including herein payment in the amount of \$ \_\_\_\_\_ representing the purchase price for [Fill in number of Shares] \_\_\_\_\_ Shares. I have chosen the following form(s) of payment:

- |     |    |  |
|-----|----|--|
| ] [ | 1. | Cash   |
| ] [ | 2. | Certified or bank check payable to AbSci Corporation                               |
| ] [ | 3. | Other (as referenced in the Agreement and described in the Plan (please describe)) |

In connection with my exercise of the option as set forth above, I hereby represent and warrant to the Company as follows:

- (i) I am purchasing the Shares for my own account for investment only, and not for resale or with a view to the distribution thereof.
- (ii) I have had such an opportunity as I have deemed adequate to obtain from the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company and have consulted with my own advisers with respect to my investment in the Company.
- (iii) I have sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Shares and to make an informed investment decision with respect to such purchase.
- (iv) I can afford a complete loss of the value of the Shares and am able to bear the economic risk of holding such Shares for an indefinite period of time.
- (v) I understand that the Shares may not be registered under the Securities Act of 1933 (it being understood that the Shares are being issued and sold in reliance on the exemption provided in Rule 701 thereunder) or any applicable state securities or "blue sky" laws and may not be sold or otherwise transferred or disposed of in the absence of an effective registration statement under the Securities Act of 1933 and under any applicable state securities or "blue sky" laws (or exemptions from the registration requirement thereof). I further acknowledge that certificates representing Shares will bear restrictive legends reflecting the



foregoing and/or that book entries for uncertificated Shares will include similar restrictive notations.

(vi) I have read and understand the Plan and acknowledge and agree that the Shares are subject to all of the relevant terms of the Plan, including without limitation, the transfer restrictions set forth in Section 10 of the Plan.

(vii) I understand and agree that the Company has a right of first refusal with respect to the Shares pursuant to Section 10(b) of the Plan.

(viii) I understand and agree that the Company has certain repurchase rights with respect to the Shares pursuant to Section 10(c) of the Plan.

(ix) I understand and agree that I may not sell or otherwise transfer or dispose of the Shares for a period of time following the effective date of a public offering by the Company as described in Section 10(f) of the Plan.

(x) I understand and agree to the waiver of statutory information rights as set forth in Section 8 of the Agreement.

Sincerely yours,

\_\_\_\_\_  
Name:

Address:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_

**RESTRICTED STOCK AWARD NOTICE  
UNDER THE ABSCI CORPORATION  
2020 STOCK OPTION AND GRANT PLAN**

Pursuant to the AbSci Corporation 2020 Stock Option and Grant Plan (the "Plan"), AbSci Corporation, a Delaware corporation (together with any successor, the "Company"), hereby grants, sells and issues to the individual named below, the Shares at the Per Share Purchase Price, subject to the terms and conditions set forth in this Restricted Stock Award Notice (the "Award Notice"), the attached Restricted Stock Agreement (the "Agreement") and the Plan. The Grantee agrees to the provisions set forth herein and acknowledges that each such provision is a material condition of the Company's agreement to issue and sell the Shares to him or her. The Company hereby acknowledges receipt of \$\_\_\_\_\_ in full payment for the Shares. All references to share prices and amounts herein shall be equitably adjusted to reflect stock splits, stock dividends, recapitalizations, mergers, reorganizations and similar changes affecting the capital stock of the Company, and any shares of capital stock of the Company received on or in respect of Shares in connection with any such event (including any shares of capital stock or any right, option or warrant to receive the same or any security convertible into or exchangeable for any such shares or received upon conversion of any such shares) shall be subject to this Agreement on the same basis and extent at the relevant time as the Shares in respect of which they were issued, and shall be deemed Shares as if and to the same extent they were issued at the date hereof.

Name of Grantee: \_\_\_\_\_ (the "Grantee")

No. of Shares: \_\_\_\_\_ Shares of Common Stock (the "Shares")

Grant Date: \_\_\_\_\_, \_\_\_\_\_

Date of Purchase of Shares: \_\_\_\_\_, \_\_\_\_\_

Vesting Commencement Date: \_\_\_\_\_, \_\_\_\_\_ (the "Vesting Commencement Date")

Per Share Purchase Price: \$\_\_\_\_\_ (the "Per Share Purchase Price")

Vesting Schedule: 25% of the Shares shall vest on the first anniversary of the Vesting Commencement Date; provided that the Grantee continues to have a Service Relationship with the Company at such time. Thereafter, the remaining 75% of the Shares shall vest in 36 equal monthly installments following the first anniversary of the Vesting Commencement Date, provided the Grantee continues to have a Service Relationship with the Company at such time. Notwithstanding anything in the Agreement to the contrary in the case of a Sale Event, the Shares of Restricted Stock shall be treated as provided in Section 3(c) of the Plan **provided; however INSERT ANY ACCELERATED VESTING PROVISION HERE.**

Attachments: Restricted Stock Agreement, 2020 Stock Option and Grant Plan

**RESTRICTED STOCK AGREEMENT  
UNDER THE ABSCI CORPORATION  
2020 STOCK OPTION AND GRANT PLAN**

All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Award Notice and the Plan.

**SECTION 34. PURCHASE AND SALE OF SHARES; VESTING; INVESTMENT REPRESENTATIONS.**

(a) Purchase and Sale. The Company hereby sells to the Grantee, and the Grantee hereby purchases from the Company, the number of Shares set forth in the Award Notice for the Per Share Purchase Price.

(b) Vesting. Initially, all of the Shares are non-transferable and subject to a substantial risk of forfeiture and are Shares of Restricted Stock. The risk of forfeiture shall lapse with respect to the Shares on the respective dates indicated on the Vesting Schedule set forth in the Award Notice.

(c) Investment Representations. In connection with the purchase and sale of the Shares contemplated by Section 1(a) above, the Grantee hereby represents and warrants to the Company as follows:

(i) The Grantee is purchasing the Shares for the Grantee's own account for investment only, and not for resale or with a view to the distribution thereof.

(ii) The Grantee has had such an opportunity as he or she has deemed adequate to obtain from the Company such information as is necessary to permit him or her to evaluate the merits and risks of the Grantee's investment in the Company and has consulted with the Grantee's own advisers with respect to the Grantee's investment in the Company.

(iii) The Grantee has sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Shares and to make an informed investment decision with respect to such purchase.

(iv) The Grantee can afford a complete loss of the value of the Shares and is able to bear the economic risk of holding such Shares for an indefinite period.

(v) The Grantee understands that the Shares are not registered under the Act (it being understood that the Shares are being issued and sold in reliance on the exemption provided in Rule 701 thereunder) or any applicable state securities or "blue sky" laws and may not be sold or otherwise transferred or disposed of in the absence of an effective registration statement under the Act and under any applicable state securities or "blue sky" laws (or exemptions from the registration requirements thereof). The Grantee further acknowledges that certificates representing the Shares will bear restrictive legends reflecting the foregoing and/or that book entries for uncertificated Shares will include similar restrictive notations.

(vi) The Grantee has read and understands the Plan and acknowledges and agrees that the Shares are subject to all of the relevant terms of the Plan, including without limitation, the transfer restrictions set forth in Section 10 of the Plan.

(vii) The Grantee understands and agrees that the Company has a right of first refusal with respect to the Shares pursuant to Section 10(b) of the Plan.

(viii) The Grantee understands and agree that the Company has certain repurchase rights with respect to the Shares pursuant to Section 10(c) of the Plan.

(ix) The Grantee understands and agrees that the Grantee may not sell or otherwise transfer or dispose of the Shares for a period of time following the effective date of a public offering by the Company as described in Section 10(f) of the Plan.

SECTION 35. REPURCHASE RIGHT. UPON A TERMINATION EVENT, THE COMPANY SHALL HAVE THE RIGHT TO REPURCHASE SHARES OF RESTRICTED STOCK THAT ARE UNVESTED AS OF THE DATE OF SUCH TERMINATION EVENT AS SET FORTH IN SECTION 10(C) OF THE PLAN.

SECTION 36. RESTRICTIONS ON TRANSFER OF SHARES. THE SHARES (WHETHER OR NOT VESTED) SHALL BE SUBJECT TO CERTAIN TRANSFER RESTRICTIONS AND OTHER LIMITATIONS INCLUDING, WITHOUT LIMITATION, THE PROVISIONS CONTAINED IN SECTION 10 OF THE PLAN

SECTION 37. INCORPORATION OF PLAN. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THIS RESTRICTED STOCK AWARD SHALL BE SUBJECT TO AND GOVERNED BY ALL THE TERMS AND CONDITIONS OF THE PLAN.

SECTION 38. MISCELLANEOUS PROVISIONS.

(a) Record Owner; Dividends. The Grantee and any Permitted Transferees, during the duration of this Agreement, shall be considered the record owners of and shall be entitled to vote the Shares if and to the extent the Shares are entitled to voting rights. The Grantee and any Permitted Transferees shall be entitled to receive all dividends and any other distributions declared on the Shares; provided, however, that the Company is under no duty to declare any such dividends or to make any such distribution.

(b) Section 83(b) Election. The Grantee shall consult with the Grantee's tax advisor to determine whether it would be appropriate for the Grantee to make an election under Section 83(b) of the Code with respect to this Award. Any such election must be filed with the Internal Revenue Service within 30 days of the date of this Award. If the Grantee makes an election under Section 83(b) of the Code, the Grantee shall give prompt notice to the Company (and provide a copy of such election to the Company). A sample Section 83(b) election is attached to this Agreement as Exhibit A.

(c) Equitable Relief. The parties hereto agree and declare that legal remedies may be inadequate to enforce the provisions of this Agreement and that equitable relief, including specific performance and injunctive relief, may be used to enforce the provisions of this Agreement.

(d) Change and Modifications. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by the Company and the Grantee.

(e) Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws 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.

(f) Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

(g) Saving Clause. If any provision(s) of this Agreement shall be determined to be illegal or unenforceable, such determination shall in no manner affect the legality or enforceability of any other provision hereof.

(h) Notices. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Grantee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

(i) Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, assigns, and legal representatives. The Company has the right to assign this Agreement, and such assignee shall become entitled to all the rights of the Company hereunder to the extent of such assignment.

(j) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

(k) Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

#### SECTION 39. DISPUTE RESOLUTION.

(a) Except as provided below, any dispute arising out of or relating to the Plan or the Shares, this Agreement, or the breach, termination or validity of the Plan, the Shares or this Agreement, shall be finally settled by binding arbitration conducted expeditiously in accordance with the J.A.M.S./Endispute Comprehensive Arbitration Rules and Procedures (the "J.A.M.S.

Rules”). The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. Sections 1 - 16, and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of arbitration shall be in the State of Washington.

(b) The arbitration shall commence within 60 days of the date on which a written demand for arbitration is filed by any party hereto. In connection with the arbitration proceeding, the arbitrator shall have the power to order the production of documents by each party and any third-party witnesses. In addition, each party may take up to three depositions as of right, and the arbitrator may in his or her discretion allow additional depositions upon good cause shown by the moving party. However, the arbitrator shall not have the power to order the answering of interrogatories or the response to requests for admission. In connection with any arbitration, each party to the arbitration shall provide to the other, no later than seven business days before the date of the arbitration, the identity of all persons that may testify at the arbitration and a copy of all documents that may be introduced at the arbitration or considered or used by a party’s witness or expert. The arbitrator’s decision and award shall be made and delivered within six months of the selection of the arbitrator. The arbitrator’s decision shall set forth a reasoned basis for any award of damages or finding of liability. The arbitrator shall not have power to award damages in excess of actual compensatory damages and shall not multiply actual damages or award punitive damages, and each party hereby irrevocably waives any claim to such damages.

(c) The Company, the Grantee, each party to the Agreement and any other holder of Shares issued pursuant to this Agreement (each, a “Party”) covenants and agrees that such party will participate in the arbitration in good faith. This Section 6 applies equally to requests for temporary, preliminary or permanent injunctive relief, except that in the case of temporary or preliminary injunctive relief any party may proceed in court without prior arbitration for the limited purpose of avoiding immediate and irreparable harm.

(d) Each Party (i) hereby irrevocably submits to the jurisdiction of any United States District Court of competent jurisdiction for the purpose of enforcing the award or decision in any such proceeding, (ii) hereby waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above named courts, that its property is exempt or immune from attachment or execution (except as protected by applicable law), that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court, and (iii) hereby waives and agrees not to seek any review by any court of any other jurisdiction which may be called upon to grant an enforcement of the judgment of any such court. Each Party hereby consents to service of process by registered mail at the address to which notices are to be given. Each Party agrees that its, his or her submission to jurisdiction and its, his or her consent to service of process by mail is made for the express benefit of each other Party. Final judgment against any Party in any such action, suit or proceeding may be enforced in other jurisdictions by suit, action or proceeding on the judgment, or in any other manner provided by or pursuant to the laws of such other jurisdiction.

SECTION 40. WAIVER OF STATUTORY INFORMATION RIGHTS. THE GRANTEE UNDERSTANDS AND AGREES THAT, BUT FOR THE WAIVER MADE HEREIN, THE GRANTEE WOULD BE ENTITLED, UPON WRITTEN DEMAND UNDER OATH STATING THE PURPOSE THEREOF, TO INSPECT FOR ANY PROPER PURPOSE, AND TO MAKE COPIES AND EXTRACTS FROM, THE COMPANY'S STOCK LEDGER, A LIST OF ITS STOCKHOLDERS, AND ITS OTHER BOOKS AND RECORDS, AND THE BOOKS AND RECORDS OF SUBSIDIARIES OF THE COMPANY, IF ANY, UNDER THE CIRCUMSTANCES AND IN THE MANNER PROVIDED IN SECTION 220 OF THE GENERAL CORPORATION LAW OF DELAWARE (ANY AND ALL SUCH RIGHTS, AND ANY AND ALL SUCH OTHER RIGHTS OF THE GRANTEE AS MAY BE PROVIDED FOR IN SECTION 220, THE "INSPECTION RIGHTS"). IN LIGHT OF THE FOREGOING, UNTIL THE FIRST SALE OF STOCK OF THE COMPANY TO THE GENERAL PUBLIC PURSUANT TO A REGISTRATION STATEMENT FILED WITH AND DECLARED EFFECTIVE BY THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT, THE GRANTEE HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES THE INSPECTION RIGHTS, WHETHER SUCH INSPECTION RIGHTS WOULD BE EXERCISED OR PURSUED DIRECTLY OR INDIRECTLY PURSUANT TO SECTION 220 OR OTHERWISE, AND COVENANTS AND AGREES NEVER TO DIRECTLY OR INDIRECTLY COMMENCE, VOLUNTARILY AID IN ANY WAY, PROSECUTE, ASSIGN, TRANSFER, OR CAUSE TO BE COMMENCED ANY CLAIM, ACTION, CAUSE OF ACTION, OR OTHER PROCEEDING TO PURSUE OR EXERCISE THE INSPECTION RIGHTS. THE FOREGOING WAIVER SHALL NOT AFFECT ANY RIGHTS OF A DIRECTOR, IN HIS OR HER CAPACITY AS SUCH, UNDER SECTION 220. THE FOREGOING WAIVER SHALL NOT APPLY TO ANY CONTRACTUAL INSPECTION RIGHTS OF THE GRANTEE UNDER ANY OTHER WRITTEN AGREEMENT BETWEEN THE GRANTEE AND THE COMPANY.

[SIGNATURE PAGE FOLLOWS]

The foregoing Restricted Stock Agreement is hereby accepted and the terms and conditions thereof are hereby agreed to by the undersigned as of the date of purchase of Shares above written.

**AbSci Corporation**

By: \_\_\_\_\_

Name:

Title:

Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan, including, without limitation, Section 10 thereof and understands that the Shares granted hereby are subject to the terms of the Plan and of this Agreement. This Agreement is hereby accepted, and the terms and conditions of the Plan, the Award Notice and this Agreement, SPECIFICALLY INCLUDING THE ARBITRATION PROVISIONS SET FORTH IN SECTION 6 AND THE WAIVER OF STATUTORY INFORMATION RIGHTS SET FORTH IN SECTION 7 OF THIS AGREEMENT, are hereby agreed to, by the undersigned as of the date first above written.

GRANTEE:

\_\_\_\_\_  
Name:

Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



SPOUSE'S CONSENT<sup>3</sup>

I acknowledge that I have read the  
foregoing Restricted Stock Agreement  
and understand the contents thereof.

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<sup>3</sup> A spouse's consent is required only if the Grantee's state of residence is one of the following community property states: Arizona, California, Idaho, Louisiana, New Mexico, Nevada, Texas, Washington and Wisconsin.

**EXHIBIT A**  
**Section 83(b) Election**

The undersigned hereby elects pursuant to §83(b) of the Internal Revenue Code of 1986, as amended, to include in gross income as compensation for services the excess (if any) of the fair market value of the shares described below over the amount paid for those shares.

1. The name, taxpayer identification number, address of the undersigned, and the taxable year for which this election is being made are:

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Social Security No.: \_\_\_\_\_  
Taxable Year: Calendar Year 20\_\_

2. The property which is the subject of this election is number of unvested shares shares of common stock of AbSci Corporation.

3. The property was transferred to the undersigned on date of purchase/transfer.

4. The property is subject to the following restrictions:

The Shares will be subject to restrictions on transfer and risk of forfeiture upon termination of service relationship and in certain other events.

5. The fair market value of the property at time of transfer (determined without regard to any restrictions other than nonlapse restrictions as defined in §1.83-3(h) of the Income Tax Regulations) is \$ current FMV per share x number of unvested shares shares = \$\_\_\_\_\_.

6. For the property transferred, the undersigned paid \$ exercise price] per share x [number of unvested shares shares = \$\_\_\_\_\_.

7. The amount to include in gross income is \$[amount reported in Item 5 minus the amount reported in Item 6].

The undersigned taxpayer will file this election with the Internal Revenue Service Office with which the taxpayer files his or her annual income tax return not later than 30 days after the date of transfer of the property, at the IRS address listed for the taxpayer's state under "and you ARE NOT ENCLOSING A PAYMENT . . ." in the instructions for Form 1040 (which information can also be found by clicking on your state at: <https://www.irs.gov/filing/where-to-file-paper-tax-returns-with-or-without-a-payment>). A copy of the election will also be furnished to the person for whom the services were performed. The undersigned is the person performing services in connection with which the property was transferred.

Dated: \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
Taxpayer

**RESTRICTED STOCK AWARD NOTICE  
UNDER THE ABSCI CORPORATION  
2020 STOCK OPTION AND GRANT PLAN**

Pursuant to the AbSci Corporation 2020 Stock Option and Grant Plan (the “Plan”), AbSci Corporation, a Delaware corporation (together with any successor, the “Company”), hereby grants and issues to the individual named below, the Shares pursuant to that certain Agreement and Plan of Merger (the “Merger Agreement”) by and among the Company, AbSci, LLC (the “LLC”) and certain other parties listed thereto, dated as of October 16, 2020, upon the assumption of Grantee’s Incentive Units (as defined in the Merger Agreement) issued to Grantee pursuant to that certain Incentive Unit Grant Agreement, dated \_\_\_\_\_<sup>4</sup>, between the LLC and the Grantee (the “Grant Agreement”) into a right to receive the Shares herein, subject to the terms and conditions set forth in this Restricted Stock Award Notice (the “Award Notice”), the attached Restricted Stock Agreement (the “Agreement”) and the Plan. The Grantee agrees to the provisions set forth herein and acknowledges that each such provision is a material condition of the Company’s agreement to issue and sell the Shares to him or her. All references to share prices and amounts herein shall be equitably adjusted to reflect stock splits, stock dividends, recapitalizations, mergers, reorganizations and similar changes affecting the capital stock of the Company, and any shares of capital stock of the Company received on or in respect of Shares in connection with any such event (including any shares of capital stock or any right, option or warrant to receive the same or any security convertible into or exchangeable for any such shares or received upon conversion of any such shares) shall be subject to this Agreement on the same basis and extent at the relevant time as the Shares in respect of which they were issued, and shall be deemed Shares as if and to the same extent they were issued at the date hereof.

Name of Grantee: \_\_\_\_\_ (the “Grantee”)

No. of Shares: \_\_\_\_\_ Shares of Common Stock (the “Shares”)<sup>5</sup>

Grant Date: October 16, 2020

Date of Transfer of Shares: October 16, 2020

Vesting Commencement Date: As set forth in the Grant Agreement

Vesting Schedule: 25 percent of the Shares shall vest on the first anniversary of the Vesting Commencement Date; provided that the Grantee continues to have a Service Relationship with the Company at such time. Thereafter, the remaining 75 percent of the Shares shall vest in 36 equal monthly installments following the first anniversary of the Vesting Commencement Date, provided the Grantee continues to have a Service Relationship with the

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<sup>4</sup> Insert date of original Incentive Unit Grant Agreement with LLC.

<sup>5</sup> Insert number of shares of restricted stock of AbSci Corporation issued in exchange for Incentive Units

Company at such time. Notwithstanding anything in the Agreement to the contrary in the case of a Sale Event, the Shares of Restricted Stock shall be treated as provided in Section 3(c) of the Plan; provided; however, that 100% of the unvested Shares subject to this Award shall vest as of immediately prior to the consummation of a Sale Event, subject to Grantee having a continuous Service Relationship with the Company through the consummation of such Sale Event.

Attachments: Restricted Stock Agreement, 2020 Stock Option and Grant Plan

**RESTRICTED STOCK AGREEMENT  
UNDER THE ABSCI CORPORATION  
2020 STOCK OPTION AND GRANT PLAN**

All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Award Notice and the Plan.

**SECTION 41. EXCHANGE OF SHARES; VESTING; INVESTMENT REPRESENTATIONS.**

(a) Exchange. The Company hereby grants to the Grantee the number of Shares set forth in the Award Notice in exchange for the Grantee's Incentive Units as provide in the Merger Agreement.

(b) Vesting. Initially, all of the Shares are non-transferable and subject to a substantial risk of forfeiture and are Shares of Restricted Stock. The risk of forfeiture shall lapse with respect to the Shares on the respective dates indicated on the Vesting Schedule set forth in the Award Notice.

(c) Investment Representations. In connection with the grant of the Shares contemplated by Section 1(a) above, the Grantee hereby represents and warrants to the Company as follows:

(i) The Grantee is receiving the Shares for the Grantee's own account for investment only, and not for resale or with a view to the distribution thereof.

(ii) The Grantee has had such an opportunity as he or she has deemed adequate to obtain from the Company such information as is necessary to permit him or her to evaluate the merits and risks of the Grantee's investment in the Company and has consulted with the Grantee's own advisers with respect to the Grantee's investment in the Company.

(iii) The Grantee has sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the grant of the Shares and to make an informed investment decision with respect to such grant.

(iv) The Grantee can afford a complete loss of the value of the Shares and is able to bear the economic risk of holding such Shares for an indefinite period.

(v) The Grantee understands that the Shares are not registered under the Act (it being understood that the Shares are being issued in reliance on the exemption provided in Rule 701 thereunder) or any applicable state securities or "blue sky" laws and may not be sold or otherwise transferred or disposed of in the absence of an effective registration statement under the Act and under any applicable state securities or "blue sky" laws (or exemptions from the registration requirements thereof). The Grantee further acknowledges that certificates representing the Shares will bear restrictive legends reflecting the foregoing and/or that book entries for uncertificated Shares will include similar restrictive notations.

(vi) The Grantee has read and understands the Plan and acknowledges and agrees that the Shares are subject to all of the relevant terms of the Plan, including without limitation, the transfer restrictions set forth in Section 10 of the Plan.

(vii) The Grantee understands and agrees that the Company has a right of first refusal with respect to the Shares pursuant to Section 10(b) of the Plan.

(viii) The Grantee understands and agree that the Company has certain repurchase rights with respect to the Shares pursuant to Section 10(c) of the Plan.

(ix) The Grantee understands and agrees that the Grantee may not sell or otherwise transfer or dispose of the Shares for a period of time following the effective date of a public offering by the Company as described in Section 10(f) of the Plan.

SECTION 42. REPURCHASE RIGHT. UPON A TERMINATION EVENT, THE COMPANY SHALL HAVE THE RIGHT TO REPURCHASE SHARES OF RESTRICTED STOCK THAT ARE UNVESTED AS OF THE DATE OF SUCH TERMINATION EVENT AS SET FORTH IN SECTION 10(C) OF THE PLAN.

SECTION 43. RESTRICTIONS ON TRANSFER OF SHARES. THE SHARES (WHETHER OR NOT VESTED) SHALL BE SUBJECT TO CERTAIN TRANSFER RESTRICTIONS AND OTHER LIMITATIONS INCLUDING, WITHOUT LIMITATION, THE PROVISIONS CONTAINED IN SECTION 10 OF THE PLAN

SECTION 44. INCORPORATION OF PLAN. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THIS RESTRICTED STOCK AWARD SHALL BE SUBJECT TO AND GOVERNED BY ALL THE TERMS AND CONDITIONS OF THE PLAN.

SECTION 45. MISCELLANEOUS PROVISIONS.

(a) Record Owner; Dividends. The Grantee and any Permitted Transferees, during the duration of this Agreement, shall be considered the record owners of and shall be entitled to vote the Shares if and to the extent the Shares are entitled to voting rights. The Grantee and any Permitted Transferees shall be entitled to receive all dividends and any other distributions declared on the Shares; provided, however, that the Company is under no duty to declare any such dividends or to make any such distribution.

(b) Section 83(b) Election. The Grantee shall consult with the Grantee's tax advisor to determine whether it would be appropriate for the Grantee to make an election under Section 83(b) of the Code with respect to this Award. Any such election must be filed with the Internal Revenue Service within 30 days of the date of this Award. If the Grantee makes an election under Section 83(b) of the Code, the Grantee shall give prompt notice to the Company (and provide a copy of such election to the Company). A sample Section 83(b) election is attached to this Agreement as Exhibit A.

(c) Equitable Relief. The parties hereto agree and declare that legal remedies may be inadequate to enforce the provisions of this Agreement and that equitable relief, including specific performance and injunctive relief, may be used to enforce the provisions of this Agreement.

(d) Change and Modifications. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by the Company and the Grantee.

(e) Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws 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.

(f) Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

(g) Saving Clause. If any provision(s) of this Agreement shall be determined to be illegal or unenforceable, such determination shall in no manner affect the legality or enforceability of any other provision hereof.

(h) Notices. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Grantee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

(i) Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, assigns, and legal representatives. The Company has the right to assign this Agreement, and such assignee shall become entitled to all the rights of the Company hereunder to the extent of such assignment.

(j) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

(k) Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

#### SECTION 46. DISPUTE RESOLUTION.

(a) Except as provided below, any dispute arising out of or relating to the Plan or the Shares, this Agreement, or the breach, termination or validity of the Plan, the Shares or this Agreement, shall be finally settled by binding arbitration conducted expeditiously in accordance with the J.A.M.S./Endispute Comprehensive Arbitration Rules and Procedures (the "J.A.M.S.

Rules”). The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. Sections 1 - 16, and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of arbitration shall be in the State of Washington.

(b) The arbitration shall commence within 60 days of the date on which a written demand for arbitration is filed by any party hereto. In connection with the arbitration proceeding, the arbitrator shall have the power to order the production of documents by each party and any third-party witnesses. In addition, each party may take up to three depositions as of right, and the arbitrator may in his or her discretion allow additional depositions upon good cause shown by the moving party. However, the arbitrator shall not have the power to order the answering of interrogatories or the response to requests for admission. In connection with any arbitration, each party to the arbitration shall provide to the other, no later than seven business days before the date of the arbitration, the identity of all persons that may testify at the arbitration and a copy of all documents that may be introduced at the arbitration or considered or used by a party’s witness or expert. The arbitrator’s decision and award shall be made and delivered within six months of the selection of the arbitrator. The arbitrator’s decision shall set forth a reasoned basis for any award of damages or finding of liability. The arbitrator shall not have power to award damages in excess of actual compensatory damages and shall not multiply actual damages or award punitive damages, and each party hereby irrevocably waives any claim to such damages.

(c) The Company, the Grantee, each party to the Agreement and any other holder of Shares issued pursuant to this Agreement (each, a “Party”) covenants and agrees that such party will participate in the arbitration in good faith. This Section 6 applies equally to requests for temporary, preliminary or permanent injunctive relief, except that in the case of temporary or preliminary injunctive relief any party may proceed in court without prior arbitration for the limited purpose of avoiding immediate and irreparable harm.

(d) Each Party (i) hereby irrevocably submits to the jurisdiction of any United States District Court of competent jurisdiction for the purpose of enforcing the award or decision in any such proceeding, (ii) hereby waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above named courts, that its property is exempt or immune from attachment or execution (except as protected by applicable law), that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court, and (iii) hereby waives and agrees not to seek any review by any court of any other jurisdiction which may be called upon to grant an enforcement of the judgment of any such court. Each Party hereby consents to service of process by registered mail at the address to which notices are to be given. Each Party agrees that its, his or her submission to jurisdiction and its, his or her consent to service of process by mail is made for the express benefit of each other Party. Final judgment against any Party in any such action, suit or proceeding may be enforced in other jurisdictions by suit, action or proceeding on the judgment, or in any other manner provided by or pursuant to the laws of such other jurisdiction.



SECTION 47. WAIVER OF STATUTORY INFORMATION RIGHTS. THE GRANTEE UNDERSTANDS AND AGREES THAT, BUT FOR THE WAIVER MADE HEREIN, THE GRANTEE WOULD BE ENTITLED, UPON WRITTEN DEMAND UNDER OATH STATING THE PURPOSE THEREOF, TO INSPECT FOR ANY PROPER PURPOSE, AND TO MAKE COPIES AND EXTRACTS FROM, THE COMPANY'S STOCK LEDGER, A LIST OF ITS STOCKHOLDERS, AND ITS OTHER BOOKS AND RECORDS, AND THE BOOKS AND RECORDS OF SUBSIDIARIES OF THE COMPANY, IF ANY, UNDER THE CIRCUMSTANCES AND IN THE MANNER PROVIDED IN SECTION 220 OF THE GENERAL CORPORATION LAW OF DELAWARE (ANY AND ALL SUCH RIGHTS, AND ANY AND ALL SUCH OTHER RIGHTS OF THE GRANTEE AS MAY BE PROVIDED FOR IN SECTION 220, THE "INSPECTION RIGHTS"). IN LIGHT OF THE FOREGOING, UNTIL THE FIRST SALE OF STOCK OF THE COMPANY TO THE GENERAL PUBLIC PURSUANT TO A REGISTRATION STATEMENT FILED WITH AND DECLARED EFFECTIVE BY THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT, THE GRANTEE HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES THE INSPECTION RIGHTS, WHETHER SUCH INSPECTION RIGHTS WOULD BE EXERCISED OR PURSUED DIRECTLY OR INDIRECTLY PURSUANT TO SECTION 220 OR OTHERWISE, AND COVENANTS AND AGREES NEVER TO DIRECTLY OR INDIRECTLY COMMENCE, VOLUNTARILY AID IN ANY WAY, PROSECUTE, ASSIGN, TRANSFER, OR CAUSE TO BE COMMENCED ANY CLAIM, ACTION, CAUSE OF ACTION, OR OTHER PROCEEDING TO PURSUE OR EXERCISE THE INSPECTION RIGHTS. THE FOREGOING WAIVER SHALL NOT AFFECT ANY RIGHTS OF A DIRECTOR, IN HIS OR HER CAPACITY AS SUCH, UNDER SECTION 220. THE FOREGOING WAIVER SHALL NOT APPLY TO ANY CONTRACTUAL INSPECTION RIGHTS OF THE GRANTEE UNDER ANY OTHER WRITTEN AGREEMENT BETWEEN THE GRANTEE AND THE COMPANY.

[SIGNATURE PAGE FOLLOWS]

The foregoing Restricted Stock Agreement is hereby accepted and the terms and conditions thereof are hereby agreed to by the undersigned as of the date of transfer of Shares above written.

**AbSci Corporation**

By: \_\_\_\_\_

Name:

Title:

Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan, including, without limitation, Section 10 thereof and understands that the Shares granted hereby are subject to the terms of the Plan and of this Agreement. This Agreement is hereby accepted, and the terms and conditions of the Plan, the Award Notice and this Agreement, SPECIFICALLY INCLUDING THE ARBITRATION PROVISIONS SET FORTH IN SECTION 6 AND THE WAIVER OF STATUTORY INFORMATION RIGHTS SET FORTH IN SECTION 7 OF THIS AGREEMENT, are hereby agreed to, by the undersigned as of the date first above written.

GRANTEE:

\_\_\_\_\_  
Name:

Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SPOUSE'S CONSENT<sup>6</sup>

I acknowledge that I have read the  
foregoing Restricted Stock Agreement  
and understand the contents thereof.

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<sup>6</sup> A spouse's consent is required only if the Grantee's state of residence is one of the following community property states: Arizona, California, Idaho, Louisiana, New Mexico, Nevada, Texas, Washington and Wisconsin.

**EXHIBIT A**  
**Section 83(b) Election**

The undersigned hereby elects pursuant to §83(b) of the Internal Revenue Code of 1986, as amended, to include in gross income as compensation for services the excess (if any) of the fair market value of the shares described below over the amount paid for those shares.

8. The name, taxpayer identification number, address of the undersigned, and the taxable year for which this election is being made are:

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Social Security No.: \_\_\_\_\_  
Taxable Year: Calendar Year 2020

9. The property which is the subject of this election is number of unvested shares of common stock of AbSci Corporation (the "Company").

10. The property was transferred to the undersigned on October 16, 2020.

11. The property is subject to the following restrictions:

The Shares will be subject to restrictions on transfer and risk of forfeiture upon termination of service relationship and in certain other events.

12. The fair market value of the property at time of transfer (determined without regard to any restrictions other than nonlapse restrictions as defined in §1.83-3(h) of the Income Tax Regulations) equals the value of the membership interests of AbSci, LLC (the "LLC") held by the taxpayer and surrendered in exchange for the property in a tax-free transaction by way of merger of the LLC into the Company.

13. For the property transferred, the undersigned paid membership interests of the LLC with a value equivalent to the property in a tax-free transaction by way of merger of the LLC into the Company.

14. The amount to include in gross income is \$0.00.

The undersigned taxpayer will file this election with the Internal Revenue Service Office with which the taxpayer files his or her annual income tax return not later than 30 days after the date of transfer of the property, at the IRS address listed for the taxpayer's state under "and you ARE NOT ENCLOSING A PAYMENT . . ." in the instructions for Form 1040 (which information can also be found by clicking on your state at: <https://www.irs.gov/filing/where-to-file-paper-tax-returns-with-or-without-a-payment>). A copy of the election will also be furnished to the person for whom the services were performed. The undersigned is the person performing services in connection with which the property was transferred.

Dated: \_\_\_\_\_, 2020

\_\_\_\_\_  
Taxpayer



THURSDAY, MARCH 26, 2020

Dear Gregory:

On behalf of AbSci, I am pleased to offer you a position as Chief Financial Officer, reporting to Sean McClain. Your first day of employment will be April 6, 2020 and your Full-Time salary will be \$250,000.00 per year paid monthly.

As a full-time employee, you are eligible:

- To accrue up to 240 hours (six weeks) of paid time off (PTO) in your first year of employment, and each year thereafter. AbSci does not recognize federal holidays, so PTO can be used at your discretion whether it is a federal holiday or not. Unused PTO hours may be carried over to the following year with a 320 hour cap at any given time.
- For health coverage, the 1st of the month following successful completion of thirty (30) days of employment. If you elect coverage, AbSci will pay 80 percent of the employee and dependent medical and dental insurance premiums.
- To participate in a 401(k) plan after 30 days of employment. The plan provides a basic safe harbor match of 100% up to 3% of compensation and 50% of the next 2% of compensation.
- For the voluntary Long Term Disability and Life Insurance plans.

Plan enrollment details will be provided to you during your on-board process.

In addition to your salary, subject to approval by the Company's Board of Directors, you will be granted 244,425 Incentive Units, which represents approximately 1.5% of the Company's outstanding Units. We will recommend the grant to the Board of Directors at its next meeting after you join the Company. You are not required to pay anything to acquire the Incentive Units and upon filing an 83(b) election with the IRS you will not be taxed upon their receipt. On the date of the grant, the Incentive Units will have a built-in value equal to the fair market value of the Company's common Units and the amount of any payment to you on sale of the Company or otherwise will be less this ascribed fair market value. The Incentive Units will vest according to the Company's standard four-year vesting schedule (i.e. 25% after one year and 1/48th for each month thereafter). They will continue to vest as long as you are employed by AbSci, and vesting will accelerate fully if the Company is sold and provided you are employed by AbSci up through closing of the sale. You are allowed to retain any vested Incentive Units following termination of your employment with AbSci. Finally, the Incentive Units will be subject to the terms and conditions of the Company's Fifth Amended and Restated LLC Agreement, a copy of which will be provided to you at the time of grant.

In addition to your salary and equity-based Incentive award, you will be eligible for a potential \$100,000 annual bonus, which will be tied to performance metrics mutually agreed upon once you start.

On your first day, you will receive a brief orientation, which includes completing your on-board process, reviewing applicable Company policies, and touring the corporate offices. Please bring appropriate documentation for the completion of your new hire forms, including proof that you are presently eligible to work in the United States for 1-9 purposes. Failure to provide appropriate documentation within 3 days of hire will result in immediate termination of employment in accordance with the terms of the Immigration Reform and Control Act.

Your employment is contingent on signing our standard Confidentiality and Proprietary Rights Agreement, which is included in this electronic offer letter packet. During the period of your employment you will not, without the express written consent of the Company, engage in any employment or business activity other than for the Company. However, the Company will allow you to serve as a Board Director for BioEclipse, Nanomix, and DropCar so long as it does not interfere with your ability to fulfill your duties and responsibilities as the Company's CFO. You may seek legal counsel regarding the terms and conditions of the Agreement and will be expected to execute this Agreement on or before your start date. You agree that you will not disclose any of the terms of this agreement to anyone inside or outside the Company other than the undersigned and our legal counsel, Jack Schifferdecker; although you may discuss such terms with members of your immediate family and any legal, tax or accounting specialists who provide you with individual legal, tax or accounting advice.

If you have any questions, please call Sean McClain. This offer of employment is valid through close of business on March 27, 2020. Employment with AbSci is subject to all policies in the employee handbook.

Gregory, kindly indicate your understanding and acceptance of this job offer by signing below. I am excited for you to join the AbSci team and look forward to working with you.

Sincerely,

Sean McClain  
Founder and CEO

## Offer Letter Acceptance

I have read and accept this offer of employment:

/s/ Gregory Schiffman

Gregory Schiffman

03/26/2020

Date



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### Gregory Schiffman Offer.pdf

Document ID: 11f1fa22-6fd4-11ea-a147-bc764e101116

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#### Requested:

Mar 26,2020, 8:02 AM PDT (Mar 26, 2020, 3:02 PM UTC)  
Sara Mirabella (smcclain@abscibio.com)  
73.25.98.15

#### Signed:

Mar 26,2020, 7:38 PM PDT (Mar 26, 2020, 2:38 AM UTC)  
Gregory Schiffman (greg@maryjoandgreg.com)  
198.29.32.65



Dear Matthew:

On behalf of AbSci, I am pleased to offer you a position as Senior Scientist, reporting to the Director of Molecular Sciences. Your first day of employment will be August 6, 2018 and your Full-Time salary will be \$112,000.00 per year, paid monthly.

Normal office hours are 8:00 am to 5:00 pm, Monday through Friday, although office hours can be modified, as mutually agreed to, as long as your work is getting completed in a timely matter. As an exempt salaried employee, you will be expected to work additional hours as required by the nature of your work assignments. During the period of your employment you will not, without the express written consent of the Company, engage in any employment or business activity other than for the Company. The Company has approved for you to continue your instructor responsibilities with UCSD's Extension Program as long as it doesn't interfere with your job performance and will be completed outside working hours.

As a full-time employee, you are eligible:

- To accrue up to 200 hours (five weeks) of paid time off (PTO) in your first year of employment, and each year thereafter. AbSci does not recognize federal holidays, so PTO can be used at your discretion whether it is a federal holiday or not. PTO hours must be used in the year they accrue, except that 40 hours may be carried over from one year to the next.
- For health coverage, the 1st of the month following successful completion of thirty (30) days of employment. If you elect coverage, AbSci will pay 80 percent of the employee and dependent medical insurance premium and 80 percent of the employee and dependent dental premium.
- To participate in a 401(k) plan after 30 days of employment. The plan provides a basic safe harbor match of 100% up to 3% of compensation and 50% of the next 2% of compensation.
- For the voluntary Long Term Disability and Life Insurance plans.

Benefit plan enrollment details will be provided to you during your on-board process.

You will be eligible to participate in the Company's 2015 Amended and Restated Equity-Based Incentive Plan (the "Plan"), subject to approval by the Board of Directors. We will recommend to the Board of Directors at its next meeting after you join the Company that you be granted 12,000 Performance Shares under the Plan. The Shares (often referred to as "phantom equity") track the value of the Company's common equity Units, but are not real equity because they have no voting rights or rights to information about the Company as do the equity holders. You are not required to pay anything to acquire the Shares and you are not taxed upon their receipt; however, they will have a built-in value



equal to the fair market value of the Company's common Units and the amount of any payment to you on sale of the Company or otherwise will be less this ascribed fair market value. The Shares will vest according to the Company's standard four-year vesting schedule (i.e. 25% after one year and 1/48th for each month thereafter). They will continue to vest as long as you are employed by AbSci, and vesting will accelerate fully if the Company is sold and provided you are employed by AbSci up through closing of the sale. You are allowed to retain any vested Shares following termination of employment with AbSci. Finally, the Shares will be subject to the terms and conditions of the Plan and an Award Agreement under which the Shares will be granted to you.

In addition to your salary and equity-based incentive award, you will also receive a one-time, taxable sign-on bonus (the "Sign-On Bonus") equal to \$14,000.00.

If, prior to the first anniversary of your start date with AbSci, you voluntarily terminate your employment or you are involuntarily terminated by the Company for Cause (as defined below), you will repay the Company an amount (the "Repayment Amount") equal to your Sign-On Bonus. In the event a repayment obligation arises under this offer letter, you hereby agree and authorize the Company to recoup the Repayment Amount as a deduction from any compensation otherwise payable to you, including, but not limited to, base pay (including a final paycheck), short- or long-term bonus, severance pay, or any earned and unpaid compensation as of your employment termination date. If a deduction from compensation is not allowed by state law or for any reason you owe a balance following such deductions or otherwise, you hereby agree to make such repayment to the Company by certified check within 30 days of the last day of your employment. You further agree that if the Company is required to bring a legal action or to engage in other collection efforts to enforce this repayment obligation then (a) any legal action will be filed in the courts of Clark County, Washington; (b) you consent to the exercise of personal jurisdiction over you and venue in such courts; (c) and the prevailing party in any such legal action shall be entitled to recover, along with any other remedies provided by law, its reasonable attorneys' fees and legal expenses, in addition to any costs of collection activities. "Cause" means you have committed any of the following: (i) the repeated failure to perform any material duty assigned to you or your negligence in the performance of such duty, and if such failure or negligence is susceptible of cure, the failure to effect a cure within 20 days after written notice of such failure or negligence is given to you; (ii) the use of alcohol or illegal drugs which interferes with the performance of your duties; (iii) theft, embezzlement, fraud, misappropriation of funds, other acts of dishonesty or the violation of any law, ethical rule or fiduciary duty relating to your employment by the Company; (iv) a felony or any crime involving moral turpitude; (v) the violation of any confidentiality or proprietary rights agreement between you and the Company; or (vi) the violation of any material policy or procedure of the Company, or the breach of any material provision of this offer letter.

On your first day, you will receive a brief orientation, which includes completing your on-board process, reviewing applicable Company policies, and touring the corporate offices. Please bring appropriate documentation for the completion of your new hire

forms, including proof that you are presently eligible to work in the United States for 1-9 purposes. Failure to provide appropriate documentation within 3 days of hire will result in immediate termination of employment in accordance with the terms of the Immigration Reform and Control Act.

In accordance with Washington law, employees at AbSci are employed "at will", and are employed without commitments as to the duration of their employment. You may resign and AbSci may terminate the employment relationship at any time. AbSci reserves the sole discretion of determining what constitutes the basis for termination of employment. AbSci also reserves the right to modify or change your compensation, position, duties, and work location, at any time.

Your employment is contingent on signing our standard Confidentiality and Proprietary Rights Agreement, which is included in this electronic offer letter packet. You may seek legal counsel regarding the terms and conditions of the Agreement and will be expected to execute this Agreement on or before your start date. You agree that you will not disclose any of the terms of this agreement to anyone inside or outside the Company other than the undersigned and our legal counsel, Jack Schifferdecker; although you may discuss such terms with members of your immediate family and any legal, tax or accounting specialists who provide you with individual legal, tax or accounting advice.

If you have any questions, please call Sean McClain. This offer of employment is valid through close of business on July 13, 2018.

Matthew, kindly indicate your understanding and acceptance of this job offer by signing below. I am excited for you to join the AbSci team and look forward to working with you.

Sincerely,

Sean McClain  
Founder and CEO

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Offer Letter Acceptance

I have read and accept this offer of employment:

/s/ Mathew Weinstock

\_\_\_\_\_  
Mathew Weinstock

07/10/2018

\_\_\_\_\_  
Date



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## Matthew Weinstock Offer.pdf

Document ID: 70e9edfc-8492-11e8-8a07-bc764e10537c

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### Requested:

Jul 9, 2018, 5:02 PM PDT (Jul 10, 2018, 12:02 AM UTC)  
Sara Mirabella (smcclain@abscibio.com)  
198.0.51.49

### Signed:

Jul 10, 2018, 3:41 PM PDT (Jul 10, 2018, 10:41 PM UTC)  
Matthew Weinstock ([mtweinstock@gmail.com](mailto:mtweinstock@gmail.com))  
2601:680:c702:1015:7950:cc5f:1b3a:77a

**THE HUDSON BUILDING OFFICE LEASE**

**Basic Lease Terms.**

- A. EFFECTIVE DATE OF LEASE: August 11<sup>th</sup>, 2016
- B. TENANT: ABSCI, LLC,  
a Delaware limited liability company
- Address (For Notices): 101 E. 6<sup>th</sup> Street, Suite 300  
Vancouver, WA 98660  
Attn: Sean McClain  
email: smcclain@abscibio.com
- C. LANDLORD: BROADWAY INVESTORS II, LLC,  
a Washington limited liability company
- Address (For Notices): 101 E. 6<sup>th</sup> Street, Suite 350  
Vancouver, Washington 98660  
Attn: Lance Killian  
email: lance@killianpacific.com
- Address (For Rent Payments): FC Services, LLC  
PO Box 28435  
Portland, Oregon 97228
- D. PREMISES: Suite 300 containing approximately 6,400 rentable square feet located on the third (3<sup>rd</sup>) floor of the Building (as defined below) with an address of 101 E. 6<sup>th</sup> Street, Vancouver, Washington 98660, as shown on the attached Exhibit "B."
- E. BUILDING: The "Building" is the building commonly known as The Hudson in Vancouver, Washington and legal described on the attached Exhibit "A."
- F. TENANT'S PROPORTIONATE SHARE: 14.7%. The percentage is obtained by dividing the rentable square feet of the Premises by the total number of rentable square feet of the Building. Landlord may modify Tenant's Proportionate Share if the Building size is increased or decreased, as the case may be. The actual rentable square footage of the Premises and the Building shall be determined by Landlord upon the completion of the construction of the Premises and the Building using the Standard Method for Measuring Floor Area in Office Buildings (ANSI/BOMA Z65.1). Once the Rent Commencement Date has been determined, Landlord may prepare a memorandum that will, among other things, reflect the Rent Commencement Date and Expiration Date of this Lease, set forth the rentable square footage of the Premises and the Building and revise all of the provisions of this Lease that are based on the rentable square footage of the Premises.
- G. TENANT'S PERMITTED USE OF PREMISES: General office use and no other purpose.
- H. TERM OF LEASE: Anticipated Delivery Date: August 15, 2016.  
Rent Commencement Date: The earlier to occur of (i) the first day of the month following the completion of Tenant's Work, and (ii) the date that is three (3) months after the date of this Lease.  
Expiration Date: Last day of the month that is sixty (60) months after the Rent Commencement Date (defined below) of the Lease.

I. BASE RENT:

Period (Months)	Annual Rate PRSF	Annual Base Rent	Monthly Base Rent
1 - 12	\$25.50	\$144,075.00*	\$12,006.25*
13 - 24	\$26.27	\$168,096.00	\$14,008.00
25 - 36	\$27.05	\$173,138.88	\$14,428.24
37 - 49	\$27.86	\$178,333.05	\$14,861.09
49 - 60	\$28.70	\$183,683.04	\$15,306.92

\*As reflected above, Tenant shall not be obligated to pay Base Rent with respect to seven hundred fifty (750) rentable square feet of the Premises for the first twelve (12) full months after the Rent Commencement Date (the "Reduced Rent Period")- In the event of a default by Tenant under the terms of this Lease which results in early termination pursuant to the provisions hereof during such Reduced Rent Period, Tenant shall not be entitled to any such rent reduction after the date of termination nor shall Tenant be entitled to assert any right to rent reduction after such termination against any sums due Landlord. The rent reduction granted under this Section is solely for the benefit of the entity executing this Lease as tenant and is not transferable to any other assignee or subtenant. In the event of a default by Tenant under the terms of this Lease which results in early termination pursuant to the provisions hereof, then as a part of the recovery to which Landlord shall be entitled shall be included a portion of such rent which was reduced under the provisions of this Section, which portion shall be determined by multiplying the total amount of rent which was reduced under this Section by a fraction, the numerator of which is the number of months remaining in the Term of this Lease at the time of such default and the denominator of which is the number of months during the Term of this Lease that Tenant is obligated to pay monthly Base Rent.

J. INTENTIONALLY DELETED.

K. PREPAID RENT: \$12,006.25, applicable to the first (1st) full month of the term following the Rent Commencement Date.

L. SECURITY DEPOSIT: \$0.

M. BROKER(S): Tamara Fuller and Doug Bartocci of CCIM, representing Landlord.

O. GUARANTOR(S): The Souther Company, an Oregon corporation;  
John Souther, an individual; and  
David Souther, an individual.

P. GUARANTOR(S) ADDRESS: The Souther Company  
404 SW Columbia, Suite 218  
Bend, OR 97702  
541-383-9334 (work)  
541-480-4006 (cell)

John Southern  
19412 Green Lakes Lp.  
Bend, OR 97702

David Southern  
18611 Couch Market Rd  
Bend, OR 97703

For valuable consideration, Landlord and Tenant covenant and agree as follows:

## **SECTION 1 PREMISES; DELIVERY**

### **1.1 Lease of Premises.**

Landlord leases to Tenant the Premises described in the Basic Lease Terms and shown as on Exhibit "B" (the "Premises"), subject to the terms and conditions of this Lease.

### **1.2 Delivery of Possession and Commencement.**

Should Landlord be unable to deliver possession of the Premises on the Anticipated Delivery Date stated in the Basic Lease Terms, Landlord shall have no liability to Tenant for delay in delivering possession. The term of the Lease shall commence as of the mutual execution of this Lease (the "Commencement Date"). The Rent Commencement Date shall be the date set forth in Item H, of the Basic Lease Terms. Tenant's occupancy of the Premises shall constitute conclusive acceptance of the amount of square footage stated herein, and of the condition of the Premises. The Expiration Date of this Lease shall be the date stated in the Basic Lease Terms. If requested by Landlord, Tenant shall confirm in writing the date of the Commencement Date, the Rent Commencement Date, and the Expiration Date.

### **1.3 Right of First Offer.**

If at any time during the Term of the Lease, adjacent space on the second (2<sup>nd</sup>) or third (3<sup>rd</sup>) floor of the Building (the "First Offer Space") is available for lease or is about to become available for lease (such space shall not be deemed available for lease if it is currently subject to any existing options or rights of existing tenants of the Building) and so long as Tenant is not in default of this Lease, Landlord shall notify Tenant of the availability of such space (the "Offer Space"). Tenant shall have five (5) business days to accept Landlord's offer. Such right of first offer is a one (1) time only right with respect to the Offer Space. If Tenant elects to lease the Offer Space, the terms of such lease shall be the same terms and conditions of this Lease except, (i) Base Rent shall be the rate Tenant is paying at the time of the exercise of the right of first offer (including three percent (3%) annual increases; (ii) Tenant shall accept the Offer Space in its "as-is" condition and Landlord shall not be required to perform any improvements to the Offer Space or provide any allowance therefor; and (iii) the term of the lease with respect to the entire Premises (including the Offer Space) following Tenant's exercise of the right of first offer shall be, at Tenant's election: (1) unchanged such that the Term of the Lease with respect to the entire Premises shall expire on the Expiration Date, in which case the Base Rent payable by Tenant for the Offer Space shall be increased by One and 00/100 Dollar (\$1.00) per rentable square foot per year from that set forth in clause (i) above; or (2) extended by no less than four (4) years (with any longer extension to be subject to Landlord's reasonable approval). If the Term of the Lease is extended pursuant to clause (iii)(2) above, the Base Rent for such extended term shall increase by three percent (3%) each year. If Tenant fails to accept Landlord's offer within such five (5) business day period, Landlord shall be free to lease the Offer Space any time during the term of this Lease free and clear of any rights of Tenant. The right of first offer contained herein shall not apply to any renewal or extension of an existing lease (even if such lease does not contain an automatic extension right) and shall be personal to the entity executing this Lease as tenant.

## **SECTION 2 RENT PAYMENT**

Tenant shall pay to Landlord the Base Rent for the Premises and any additional rent provided herein, without deduction or offset. At the same time as execution of the Lease, Tenant shall pay any prepaid rent stated in the Basic Lease Terms. Rent is payable in advance on the first day of each month commencing on the Rent Commencement Date. Rent for any partial month during the Lease term shall be prorated to reflect the number of days during the month that Tenant occupies the Premises. Additional rent means amounts determined under Section 19 of this Lease and any other sums payable by Tenant to Landlord under this Lease. Rent not paid when due shall bear interest at the rate of one and one-half percent (1 1/2%) per month, or if less the maximum applicable rate of interest permitted by law, until paid. Landlord may at its option impose a late charge of the greater of \$.05 for each \$1 of rent or

\$50 for rent payments made more than ten (10) days late in lieu of interest for the first month of delinquency. Tenant acknowledges that late payment by Tenant to Landlord of any rent or other sums due under this Lease will cause Landlord to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impracticable to ascertain, and that such late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of any such late payment and is not a penalty. Neither imposition nor collection nor failure to impose or collect such late charge shall be considered a waiver of any other remedies available for default. In addition to such late charge, an additional charge of \$75 shall be recoverable by Landlord for any returned checks.

### **SECTION 3 USE**

#### **3.1 Use.**

Tenant shall use the Premises for the Tenant's Permitted Use stated in the Basic Lease Terms and for no other purpose. Tenant shall at its expense promptly cause the Premises to comply with all applicable laws, ordinances, rules, and regulations ("Laws") and shall not annoy, obstruct, or interfere with the rights of other tenants. Tenant shall not allow any objectionable fumes, noise, light, vibration, radiation, or electromagnetic waves to be emitted from the Premises. If any such sound or vibration is detectable outside of the Premises, Tenant shall provide such insulation as is required to muffle such sound or vibration and render it undetectable at Tenant's cost. Tenant shall not conduct any activities that will increase Landlord's insurance rates. Tenant shall pay before delinquency all taxes, assessments, license fees and public charges levied, assessed or imposed upon its business operations and all trade fixtures, leasehold improvements, merchandise and other personal property in or about the Premises.

#### **3.2 Equipment.**

Tenant shall install in the Premises only such equipment as is customary for Tenant's Permitted Use and shall not overload the floors or electrical circuits of the Premises or Building or alter the plumbing or wiring of the Premises or Building. Landlord must approve in advance the location of and manner of installing any wiring or electrical, heat generating, climate sensitive, or communication equipment or exceptionally heavy articles. All telecommunications equipment, conduit, cables and wiring, additional dedicated circuits, and any additional air conditioning required because of heat generating equipment or special lighting installed by Tenant shall be installed and operated at Tenant's expense and, at Landlord's written request shall be removed by Tenant at Tenant's sole cost. Tenant shall have no right to install any equipment on or through the roof of the Building, or use or install or store any equipment or other items outside of the interior boundary of the Premises, without the prior written consent of Landlord, which shall not be unreasonably withheld or delayed.

Landlord grants to Tenant a license to use an area upon the site of the Building in a reasonable, mutually agreeable location to install one 1400 KW emergency energy generator (the "Generator"), and one 500 gallon fuel storage tank (the "Tank") for the period commencing on the Occupancy Commencement Date and ending on the expiration or sooner termination of this Lease in accordance with applicable laws and after obtaining Landlord's prior written consent therefor. Tenant shall have the right to install an electrical grounding system for the Generator (the "Electrical Grounding System") in accordance with applicable Laws and after obtaining Landlord's prior written consent to the plans and specifications therefor, which consent shall not be unreasonably withheld or delayed. Tenant shall bear the sole cost and expense of locating and installing the Generator, the Electrical Grounding System and the Tank and shall reimburse Landlord upon demand for all costs and expenses incurred by Landlord in accommodating Tenant's location and use. In addition, Tenant may install an emergency generator plug (the "Plug") on the outside of the Building, in a reasonable, mutually agreeable location, for the purpose of connecting the Premises to a portable generator in the event of a Building power failure. The location, installation, use, maintenance, repair, replacement, and removal of the Generator, the Tank, the Electrical Grounding System, and the Plug shall be in accordance with all of the provisions of this Section. Tenant shall safely store and use the fuel required for operation of the Generator strictly in accordance with all applicable Laws. Tenant may test the Generator once per week at a mutually agreed upon time between Landlord



and Tenant. Notwithstanding anything to the contrary contained in this Lease, Landlord shall have the right to require that Tenant leave the Generator, Tank, Electrical Grounding System and/or the Plug on the Premises at the end of the term of this Lease or the sooner termination of this Lease.

### 3.3 Signs and Other Installations.

No signs, awnings, or other apparatus shall be painted on or attached to the Building or anything placed on any glass or woodwork of the Premises or positioned so as to be visible from outside the Premises, including any window covering (e.g., shades, blinds, curtains, drapes, screens, or tinting materials) without Landlord's written consent. All signs installed by Tenant shall comply with Landlord's standards for signs and all applicable codes and all signs and sign hardware shall be removed upon termination of this Lease with the sign location restored to its former state. Tenant may not install alarm boxes, foil protection tape, or other security equipment on the Premises without Landlord's prior written consent. Any material violating this provision may be removed and disposed by Landlord without compensation to Tenant, and Tenant shall reimburse Landlord for the cost of the same upon request.

### 3.4 Parking.

Tenant shall have the right to use the Building parking garage at the rate established for such parking spaces, so long as Landlord has the right to provide such spaces in the Building parking garage. Tenant shall not have the right to use any other parking spaces at or around the Building. The parking spaces in the Building parking garage shall be used only for parking by vehicles no larger than full sized passenger automobiles or pick-up trucks. Tenant shall not permit or allow any vehicles that belong to or are controlled by Tenant or Tenant's employees, suppliers, shippers, customers or invitees to be parked in areas other than those designated by Landlord for such activities. If Tenant permits or allows any of the prohibited activities described herein, then Landlord shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Tenant, which cost shall be immediately payable as additional rent upon demand by Landlord. The established parking rates may be adjusted to reasonable market rates for similarly situated premises in the Vancouver, WA, CBD area from time to time, and such sum shall be additional rent payable to the independent third-party parking management company, as the same may change from time to time.

## **SECTION 4 UTILITIES, SERVICES, SECURITY**

### 4.1 Utilities and Services.

Landlord shall operate or cause the operation of the heating, ventilating and air-conditioning ("HVAC") system serving the Premises during ordinary business hours of Monday through Friday from 7:00 am to 6:00 pm and Saturday 8:00 am to Noon ("Ordinary Building Hours") at such temperatures and in such amounts as Landlord determines are reasonably required for the comfortable occupancy of the Premises. Janitorial service will be provided in accordance with the regular schedule of the Building, which schedule may change from time to time. Tenant shall be responsible for, and promptly pay when due, any and all charges for utility services used in the Premises and for all other services required for Tenants use of the Premises (including without limitation, all data and telephone services). Tenant shall comply with all government laws or regulations regarding the use or reduction of use of utilities on the Premises. Interruption of services or utilities shall not be deemed an eviction or disturbance of Tenant's use and possession of the Premises, render Landlord liable to Tenant for damages, or relieve Tenant from performance of Tenant's obligations under this Lease. Landlord shall take all reasonable steps to correct any interruptions in service caused by defects in utility systems within Landlord's reasonable control. Tenant shall provide its own surge protection for power furnished to the Premises. Tenant shall cooperate with Landlord and the utility service providers at all times as reasonably necessary, and shall allow Landlord and utility service providers, reasonable access to the pipes, lines, feeders, risers, wiring, and any other machinery within the Premises. Tenant shall not contract or engage any other utility provider without prior written approval of Landlord.

#### 4.2 Extra Usage.

If Tenant uses excessive amounts of utilities or services of any kind because of unusually high demands from office machinery and equipment, nonstandard lighting, or any other similar cause, as determined by Landlord in its reasonable judgment when compared to other office tenants in the Portland-Vancouver metropolitan area, Landlord may impose a reasonable charge for supplying such extra utilities or services, which charge shall be payable monthly by Tenant in conjunction with rent payments. Landlord reserves the right to (i) install separate meters for any utility and to charge Tenant for the cost of such installation up to \$2,000 per utility, and/or (ii) charge Tenant for the actual cost of utilities used by it if Landlord is able to calculate such usage.

#### 4.3 Security.

Landlord may (but shall have no obligation) adopt security measures regarding the Premises, and Tenant shall cooperate with all such security measures. Landlord may modify the type or amount of security measures provided at any time without notice. Tenant may install a security system within the Premises with Landlord's written consent (not to be unreasonably withheld). Landlord shall be given an access code to any security system and shall not have any liability for accidentally setting off Tenant's security system.

### **SECTION 5 MAINTENANCE, REPAIR, ALTERATIONS**

#### 5.1 Maintenance and Repair.

5.1.1 Subject to reimbursement under Section 19, Landlord shall maintain and repair in good condition the Building structure, roof, exterior walls and doors, exterior windows, and common areas of the Building, and the electrical, mechanical, plumbing, heating and air conditioning systems, facilities and components located in the Building that are used in common by all tenants of the Building. Tenant shall maintain and repair the Premises in good condition, including, without limitation, maintaining and repairing all walls, floors, and ceilings, all interior doors, partitions, and windows, and all Premises systems, fixtures, and equipment that are not the maintenance responsibility of Landlord, as well as damage caused by Tenant, its agents, employees, contractors, or invitees.

5.1.2 Landlord shall have no liability for failure to perform required maintenance and repair unless written notice is given by Tenant and Landlord fails to commence efforts to remedy the problem in a reasonable time. Landlord shall have the right to erect scaffolding and other apparatus necessary for the purpose of making repairs or alterations to the Building, and Landlord shall have no liability for interference with Tenant's use because of such work. Work may be done during normal business hours. Tenant shall have no claim against Landlord for any interruption of services or interference with Tenant's occupancy caused by Landlord's maintenance and repair or any claim of constructive or other eviction of Tenant.

5.1.3 Landlord's cost of repair and maintenance shall be considered "operating expenses" for the purposes of Section 19, except that repair of damage caused by negligent or intentional acts or breach of this Lease by Tenant, its contractors, agents or invitees shall be at Tenant's expense.

#### 5.2 Alterations.

5.2.1 Tenant shall not make any alterations to the Premises that affect the structure of the Building or any Building system (electrical, plumbing, mechanical or life safety), or install any wall or floor covering without Landlord's prior written consent which may be withheld in Landlord's sole discretion. With respect to any other alteration requested by Tenant, Landlord's consent shall not be unreasonably withheld. Should Landlord consent in writing to Tenant's alteration of the Premises, Tenant shall contract with a contractor approved by Landlord for the construction of such alterations (which contractor shall provide Landlord with such certificates of insurance as Landlord shall reasonably require, which certificates of insurance shall name both Landlord and Landlord's property manager as additional

insureds), shall secure all appropriate governmental approvals and permits, and shall complete such alterations with due diligence in compliance with the plans and specifications approved by Landlord. All such construction shall be performed in a manner which will not interfere with the quiet enjoyment of other tenants of the Building. Any such alterations, wiring, cables, or conduit installed by Tenant shall at once become part of the Premises and belong to Landlord except for removable machinery and unattached movable trade fixtures and attached lab equipment. Landlord may at its option require that Tenant remove any alterations, wiring, cables or conduit installed by or for Tenant and restore the Premises to the original condition upon termination of this Lease. Landlord shall have the right to post notices of non-responsibility in connection with work being performed by Tenant in the Premises. Work by Tenant shall comply with all laws then applicable to the Premises. Tenant shall not allow any liens to attach to the Building or Tenant's interest in the Premises as a result of its activities or any alterations. Landlord may perform alterations to or change the configuration of the Building and other common areas.

5.2.2 Throughout the term of the Lease and notwithstanding the provisions of Section 18 below, Landlord shall have a continuing right (but shall not be obligated) to make alterations and/or improvements to the common areas and any other portions of the Building for any purposes that Landlord deems necessary, in its reasonable business judgment, including, without limitation, alterations or improvements that will affect the operation, design, use or aesthetic of the Building. Landlord shall make reasonable efforts to complete all such alterations and improvements so as to minimize, to the extent feasible, disturbance to Tenant.

## **SECTION 6 INDEMNITY, INSURANCE**

### **6.1 Indemnity.**

Tenant shall indemnify, defend, and hold harmless Landlord and its managing agents and employees from any claim, liability, damage, or loss occurring in, on, or about the Premises, or any cost or expense in connection therewith (including attorney fees), arising out of (a) any damage to any person or property occurring in, on, or about the Premises, (b) use by Tenant or its agents, invitees or contractors of the Premises and/or the Building, and/or (c) Tenant's breach or violation of any term of this Lease. This indemnity obligation shall survive the expiration or sooner termination of this Lease.

Landlord shall indemnify, defend, and hold harmless Tenant and its agents and employees from any claim, liability, damage, or loss occurring in, on, or about the common areas of the Building, or any cost or expense in connection therewith (including attorney fees), arising out of (a) any damage to any person or property occurring in, on, or about the common areas of the Building, and/or (b) Landlord's breach or violation of any term of this Lease. This indemnity obligation shall survive the expiration or sooner termination of this Lease.

### **6.2 Insurance.**

Tenant shall carry liability insurance, on an occurrence basis, with limits of not less than Three Million Dollars (\$3,000,000) combined single limit bodily injury and property damage which insurance shall have an endorsement naming Landlord and Landlord's managing agent, if any, as an additional insured, cover the liability insured under Section 5.2.2 of this Lease and be in form and with companies reasonably acceptable to Landlord. Such insurance shall provide that it is primary insurance and not "excess over" or contributory with any other valid, existing and applicable insurance in force for or on behalf of Landlord. The policy shall not eliminate cross-liability and shall contain a severability of interest clause. Tenant, at its cost, shall maintain on all of its personal property, tenant improvements (whether constructed by Landlord or Tenant), in, on, or about the Premises, a policy of "Broad Form" insurance, to the extent of at least full replacement value without any deduction for depreciation. Tenant, at its cost, shall maintain such other insurance as Landlord may reasonably require from time to time. Not more frequently than once each year, if, in the opinion of Landlord's lender or of the insurance consultant, the amount of public liability and property damage insurance coverage at that time is not adequate, Tenant shall increase the insurance coverage as required by either Landlord's lender or Landlord's insurance consultant. Prior to

occupancy, Tenant shall furnish a certificate evidencing such insurance which shall state that the coverage shall not be canceled or materially changed without thirty (30) days' advance notice to Landlord and Landlord's managing agent, if any. Tenant shall furnish to Landlord a renewal certificate at least thirty (30) days prior to expiration of any policy.

## **SECTION 7 DAMAGE, WAIVER OF SUBROGATION**

### **7.1 Fire or Casualty.**

"Major Damage" means damage by fire or other casualty to the Building or the Premises which causes the Premises or any substantial portion of the Building to be unusable, or which will cost more than twenty-five percent (25%) of the pre-damage value of the Building to repair, or which is not covered by insurance. In case of Major Damage, Landlord may elect to terminate this Lease by notice in writing to the Tenant within thirty (30) days after such date. If this Lease is not terminated following Major Damage, or if damage occurs which is not Major Damage, Landlord shall promptly restore the Premises to the condition existing just prior to the damage. Tenant shall promptly restore all damage to tenant improvements or alterations installed or paid for by Tenant or pay the cost of such restoration to Landlord if Landlord elects to do the restoration of such improvements. Unless the casualty was caused by Tenant, rent shall be reduced from the date of damage until the date restoration work being performed by Landlord is substantially complete, with the reduction to be in proportion to the area of the Premises not usable by Tenant.

### **7.2 Waiver of Subrogation.**

Tenant shall be responsible for insuring its personal property and trade fixtures located on the Premises and any alterations or tenant improvements it has made to the Premises. Neither Landlord, its managing agent nor Tenant shall be liable to the other for any loss or damage caused by water damage, sprinkler leakage, or any of the risks that are covered by property insurance or could be covered by a customary broad form of property insurance policy, or for any business interruption, and there shall be no subrogated claim by one party's insurance carrier against the other party arising out of any such loss.

## **SECTION 8 EMINENT DOMAIN**

If a condemning authority takes title by eminent domain or by agreement in lieu thereof a portion sufficient to render the Premises unsuitable for Tenant's use, then either party may elect to terminate this Lease effective on the date that possession is taken by the condemning authority. If this Lease is not terminated, then rent shall be reduced for the remainder of the term in an amount proportionate to the reduction in area of the Premises caused by the taking. All condemnation proceeds shall belong to Landlord, and Tenant shall have no claim against Landlord or the condemnation award because of the taking.

## **SECTION 9 ASSIGNMENT AND SUBLETTING**

Tenant shall not assign or encumber its interest under this Lease or sublet all or any portion of the Premises without first obtaining Landlord's consent in writing. This provision shall apply to all transfers by operation of law, and to all mergers and changes in control of Tenant, all of which shall be deemed assignments for the purposes of this Section. No assignment shall relieve Tenant of its obligation to pay rent or perform other obligations required by this Lease, and no consent to one assignment or subletting shall be a consent to any further assignment or subletting. If Tenant proposes a subletting or assignment for which Landlord's consent is required, Landlord shall have the option of terminating this Lease and dealing directly with the proposed subtenant or assignee, or any third party. Notwithstanding the foregoing, Landlord may at its sole discretion withhold consent to the subletting or assignment of the Premises to an existing occupant of the Building, to any prospective tenant with which the Landlord or Landlord's agents have negotiated within the previous six (6) months, or where any sublease will require any changes to any building systems. Tenant shall not advertise at a rate which is less than the Building's

listed rate. If Landlord does not terminate this Lease, Landlord shall not unreasonably withhold its consent to any assignment or subletting provided the effective rental paid by the subtenant or assignee is not less than the current scheduled rental rate of the Building for comparable space and the proposed Tenant is compatible with Landlord's normal standards for the Building. If an assignment or subletting is permitted, any cash net profit, or the net value of any other consideration received by Tenant as a result of such transaction shall be paid to Landlord promptly following its receipt by Tenant. Tenant shall pay any costs incurred by Landlord in connection with a request for assignment or subletting, including reasonable attorney fees.

## **SECTION 10 DEFAULT, REMEDIES**

### **10.1 Default.**

Any of the following shall constitute an "Event of Default" by Tenant under this Lease (time of performance being of the essence of this Lease):

10.1.1 Tenant's failure to pay rent or any other charge under this Lease when due.

10.1.2 Tenant's failure to comply with any other term or condition within ten (10) days following written notice from Landlord specifying the noncompliance. If such noncompliance cannot be cured within the ten (10)-day period, this provision shall be satisfied if Tenant commences correction within such period and thereafter proceeds in good faith and with reasonable diligence to complete correction as soon as possible but not later than ninety (90) days after the date of Landlord's notice.

10.1.3 Failure of Tenant to execute the documents described in Section 16.1 or 16.3 within the time required under such Sections; failure of Tenant to provide or maintain the insurance required of Tenant pursuant hereto; or failure of Tenant to comply with any Laws as required pursuant hereto within twenty-four (24) hours after written demand by Landlord.

10.1.4 Tenant's insolvency, business failure, or assignment for the benefit of its creditors. Tenant's commencement of proceedings under any provision of any bankruptcy or insolvency law or failure to obtain dismissal of any petition filed against it under such laws within the time required to answer; or the appointment of a receiver for all or any portion of Tenant's properties or financial records.

10.1.5 Assignment or subletting by Tenant in violation of Section 9.

10.1.6 Vacation or abandonment of the Premises without the written consent of Landlord or failure to occupy the Premises within twenty (20) days after Landlord tenders possession.

### **10.2 Remedies for Default.**

Upon occurrence of an Event of Default as described in Section 10.1, Landlord shall have the right to the following remedies, which are intended to be cumulative and in addition to any other remedies provided under applicable law or under this Lease:

10.2.1 Landlord may at its option terminate this Lease, without prejudice to its right to damages for Tenant's breach. With or without termination, Landlord may retake possession of the Premises (using self-help or otherwise) and may use or relet the Premises without accepting a surrender or waiving the right to damages. Following such retaking of possession, efforts by Landlord to relet the Premises shall be sufficient if Landlord follows its usual procedures for finding tenants for the space at rates not less than the current rates for other comparable space in the Building. If Landlord has other vacant space in the Building, prospective tenants may be placed in such other space without prejudice to Landlord's claim to damages or loss of rentals from Tenant.

10.2.2 Landlord may recover all damages caused by Tenant's default which shall include an amount equal to rentals lost because of the default, Lease commissions paid for this Lease, and the unamortized cost of any tenant improvements installed by or paid for by Landlord. Landlord may sue periodically to recover damages as they occur throughout the Lease term, and no action for accrued damages shall bar a later action for damages subsequently accruing. Landlord may elect in any one action to recover accrued damages plus damages attributable to the remaining term of the Lease. Such damages shall be measured by the difference between the rent under this Lease and the reasonable rental value of the Premises for the remainder of the term, discounted to the time of judgment at the prevailing interest rate on judgments.

### 10.3 Landlord's Right To Cure Default.

Landlord may, but shall not be obligated to, make any payment or perform any obligation which Tenant has failed to perform under this Lease. All of Landlord's expenditures shall be reimbursed by Tenant upon demand with interest from the date of expenditure at the rate of 1 1/2 percent per month. Landlord's right to correct Tenant's failure to perform is for the sole protection of Landlord and the existence of this right shall not release Tenant from the obligation to perform all of the covenants herein required to be performed by Tenant, or deprive Landlord of any other right which Landlord may have by reason of default of this Lease by Tenant, whether or not Landlord exercises its right under this Section.

## **SECTION 11 SURRENDER, HOLDOVER**

On expiration or early termination of this Lease, Tenant shall deliver all keys to Landlord and surrender the Premises vacuumed, swept, and free of debris and in the same condition as at the commencement of the term subject only to reasonable wear from ordinary use. Tenant shall remove all of its furnishings and trade fixtures that remain its property and any alterations, cables, or conduits if required by Section 5.1.3, and shall repair all damage resulting from such removal. Failure to remove shall be an abandonment of the property, and, following ten (10) days' written notice, Landlord may remove or dispose of it in any manner without liability, and recover the cost of removal and other damages from Tenant. If Tenant fails to vacate the Premises when required, including failure to remove all its personal property, Landlord may elect either: (i) to treat Tenant as a tenant from month to month, subject to the provisions of this Lease except that rent shall be one-and-one-half times the total rent being charged when the Lease term expired, and any option or other rights regarding extension of the term or expansion of the Premises shall no longer apply; and/or (ii) to eject Tenant from the Premises (using self-help or otherwise) and recover damages caused by wrongful holdover.

## **SECTION 12 RULES AND REGULATIONS**

Tenant shall abide by and adhere to the operating rules and regulations set forth in the attached Exhibit "D" and any other rules and regulations as Landlord may from time to time reasonably institute. Any default or breach of such rules and regulations shall be deemed a default under this Lease and Landlord shall be entitled to exercise all rights and remedies available to Landlord as set forth in this Lease.

## **SECTION 13 ACCESS**

### 13.1 Access.

Tenant's officers and employees or those having business with Tenant may be required to identify themselves or show passes in order to gain access to the Building. Landlord shall have no liability for permitting or refusing to permit access by anyone. Landlord may regulate access to any Building elevators. Landlord shall have the right to enter upon the Premises at any time by passkey or otherwise to determine Tenant's compliance with this Lease, to perform necessary services, maintenance and repairs or alterations to the Building or the Premises, to post notices of non-responsibility, or to show the Premises to any prospective tenant or purchasers. Except in case of emergency, such entry shall be at

such times and in such manner as to minimize interference with the reasonable business use of the Premises by Tenant.

### 13.2 Furniture and Bulky Articles.

Tenant shall move furniture and bulky articles in and out of the Building or make independent use of any elevators only at times approved by Landlord following at least 24 hours' written notice to Landlord.

## **SECTION 14 NOTICES**

Notices between the parties relating to this Lease shall be in writing, effective when delivered during business hours by facsimile transmission, hand delivery, private courier, or first-class or certified U.S. mail. Notices shall be delivered postage prepaid, to the address or facsimile number for the party stated in the Basic Lease Terms or to such other address as either party may specify by notice to the other. Notice to Tenant may always be delivered to the Premises. Rent shall be payable to Landlord at the same address and in the same manner, but shall be considered paid only when received.

## **SECTION 15 SUBORDINATION AND ATTORNMENT, TRANSFER OF BUILDING, ESTOPPELS**

### 15.1 Subordination and Attornment.

This Lease shall be subject to and subordinate to any mortgages, deeds of trust, ground lease, master lease, or land sale contracts (hereafter collectively referred to as encumbrances) now existing against the Building. At Landlord's option this Lease shall be subject and subordinate to any future encumbrance, ground lease, or master lease hereafter placed against the Building (including the underlying land) or any modifications of existing encumbrances, and Tenant shall execute such documents as may reasonably be requested by Landlord or the holder of the encumbrance to evidence this subordination within ten (10) days of request therefor. If any encumbrance is foreclosed, then if the purchaser at foreclosure sale gives to Tenant a written agreement to recognize Tenant's Lease, Tenant shall attorn to such purchaser and this Lease shall continue.

### 15.2 Transfer of Building.

If the Building is sold or otherwise transferred by Landlord or any successor, Tenant shall attorn to the purchaser or transferee and recognize it as the landlord under this Lease, and, provided the purchaser or transferee assumes all obligations under this Lease thereafter accruing, the transferor shall have no further liability hereunder.

### 15.3 Estoppels.

Either party will within ten (10) days after notice from the other execute, acknowledge, and deliver to the other party a certificate certifying whether or not this Lease has been modified and is in full force and effect; whether there are any modifications or alleged breaches by the other party; the dates to which rent has been paid in advance, and the amount of any Security Deposit or prepaid rent; and any other facts that may reasonably be requested. If requested by the holder of any encumbrance, or any underlying lessor, Tenant will agree to give such holder or lessor notice of and an opportunity to cure any default by Landlord under this Lease.

## **SECTION 16 ATTORNEY FEES**

In any litigation arising out of this Lease, including any bankruptcy proceeding, the prevailing party shall be entitled to recover attorney fees at trial and on any appeal or petition for review. If Landlord incurs attorney fees because of a default by Tenant, Tenant shall pay all such fees whether or not litigation is filed. If Landlord employs a collection agency to recover delinquent charges, Tenant agrees to pay all collection agency and other fees charged to Landlord in addition to rent, late charges, interest, and other sums payable under this Lease.

## **SECTION 17 QUIET ENJOYMENT**

Landlord warrants that as long as Tenant complies with all terms of this Lease, it shall be entitled to possession of the Premises free from any eviction or disturbance by Landlord or parties claiming through Landlord.

## **SECTION 18 LIMITATION ON LIABILITY**

Notwithstanding any provision in this Lease to the contrary, neither Landlord nor its managing agent or employees shall have any liability to Tenant for loss or damages to Tenant's property from any cause, nor arising out of the acts of other tenants of the Building or third parties, nor any liability for consequential damages, nor liability for any reason which exceeds the value of its interest in the Building.

## **SECTION 19 ADDITIONAL RENT**

### **19.1 Additional Rent: Operating Expense Adjustment.**

Tenant shall pay as additional rent Tenant's Proportionate Share of operating expenses and real property taxes for the Building. Effective January 1 of each year Landlord shall estimate the operating expenses and real property taxes. Monthly rent for that year shall be increased by one-twelfth of Tenant's Proportionate Share of operating expenses and real property taxes, provided that Landlord may revise its estimate during any year with reasonable cause and the additional estimate shall be payable as equal additions to rent for the remainder of the calendar year. Following the end of each calendar year, Landlord shall compute Tenant's actual Proportionate Share of operating expenses and real property taxes and bill Tenant for any deficiency or credit Tenant with any excess collected. Tenant shall pay any such deficiency and Landlord shall pay any such credit within thirty (30) days after Landlord's billing, whether or not this Lease shall have expired or terminated at the time of such billing.

#### **19.1.1** As used herein "real property taxes" as used herein shall mean all taxes and assessments of any public authority against the Building and the land on which it is located, the cost of contesting any tax and any form of fee or charge imposed on Landlord as a direct consequence of owning or leasing the Premises, including but not limited to, rent taxes, gross receipt taxes, leasing taxes, or any fee or charge wholly or partially in lieu of or in substitution for ad valorem real property taxes or assessments, whether now existing or hereafter enacted.

As used herein, "operating expenses" shall mean all costs of operating, maintaining, managing, replacing and repairing the Building as determined by standard real estate accounting practice, including, but not limited to: all water and sewer charges; the cost of natural gas and electricity provided to the Building; janitorial and cleaning supplies and services for the common areas of the Building; administration costs and management fees; superintendent fees; security services, if any; insurance premiums; licenses, permits for the operation and maintenance of the Building and all of its component elements and mechanical systems; ordinary and emergency repairs and maintenance, and the annual amortized capital improvement cost (amortized over such a period as Landlord may select but not shorter than the period allowed under the Internal Revenue Code and at a current market interest rate) for any capital improvements to the Building. "Operating expenses" shall also include all assessments under recorded covenants or master plans and/or by owner's associations. In the event the average occupancy level of the Building for any calendar year was or is not one hundred percent (100%) of full occupancy, then the estimated operating expenses and actual operating expenses for such year shall be proportionately adjusted by Landlord to reflect those costs which have occurred had the Building been one hundred percent (100%) occupied during such year.

### **19.2 Disputes.**

If Tenant disputes any computation of operating expenses in Section 19, it shall give notice to Landlord not later than thirty (30) days after the notice from Landlord describing the computation in question, but



in any event not later than thirty (30) days after expiration or earlier termination of this Lease. If Tenant fails to give such a notice, the computation by Landlord shall be binding and conclusive between the parties for the period in question. If Tenant gives a timely notice, the dispute shall be resolved by an independent CPA selected by Landlord whose decision shall be conclusive between the parties. Each party shall pay one-half of the fee of such CPA for making such determination except that if the adjustment in favor of Tenant: (a) does not exceed ten percent (10%) of the escalation amounts for the year in question, Tenant shall pay (i) the entire cost of any such third-party determination; and (ii) Landlord's out-of-pocket costs and reasonable expenses for personnel time in responding to the audit, (b) exceeds ten percent (10%) of the escalation amounts for the year in question, Landlord shall pay the entire cost of any such third-party determination. Nothing herein shall reduce Tenant's obligations to make all payments as required by this Lease. In no event shall Landlord have any liability to Tenant based on its calculation of additional rent or rent adjustments except and only the obligation to cause any correction to be made pursuant to this Section 19.2. Tenant shall maintain as strictly confidential the existence and resolution of any dispute regarding rent charges hereunder.

## **SECTION 20 HAZARDOUS MATERIALS**

Neither Tenant nor Tenant's agents or employees shall cause or permit any Hazardous Material, as hereinafter defined, to be brought upon, stored, used, generated, released into the environment, or disposed of on, in, under, or about the Premises, except (i) reasonable quantities of cleaning supplies and office supplies necessary to or required as part of Tenant's business, (ii) reasonable quantities of chemicals and other Hazardous Material for research and development purposes shall be allowed to be stored on site as long as threshold quantities (the lowest listed limit as defined by Washington law or regulations) for either specific agents or risk categories are not exceeded, and (iii) those materials used in the operation of the Permitted Use that require Biosafety Level 2 (BSL-2) precautions or lower as defined by the most current edition of the text *Biosafety in Microbiological and Biomedical Laboratories (BMBL)* as published by the U.S. Department of Health and Human Services, all of which shall be generated, used, kept, stored, or disposed of in a manner that complies with all laws regulating any such Hazardous Materials and with good business practices. Tenant shall not engage in the use of hazardous substance at larger than "Laboratory Scale" as defined by WAC 296-828-099. Tenant covenants to remove from the Premises (or the Building, if applicable), upon the expiration or sooner termination of this Lease and at Tenant's sole cost and expense, any and all Hazardous Materials brought upon, stored, used, generated, or released into the environment during the term of this Lease. To the fullest extent permitted by law, Tenant hereby agrees to indemnify, defend, protect, and hold harmless Landlord, Landlord's managing agent and their respective agents and employees, and their respective successors and assigns, from any and all claims, judgments, damages, penalties, fines, costs, liabilities, and losses that arise during or after the term directly or indirectly from the use, storage, disposal, release, or presence of Hazardous Materials on, in, or about the Premises which occurs during the term of this Lease. Tenant shall promptly notify Landlord of any release of Hazardous Materials in, on, or about the Premises that Tenant or Tenant's agents or employees become aware of during the term of this Lease, whether caused by Tenant, Tenant's agents or employees, or any other persons or entities. As used herein, the term "Hazardous Materials" shall mean any hazardous or toxic substance, material, or waste which is or becomes regulated by any local or state governmental authority or the United States Government. The term "Hazardous Materials" shall include, without limitation, any material or substance that is (i) defined as a "hazardous waste," "extremely hazardous waste," "restricted hazardous waste," "hazardous substance," "hazardous material," or "waste" under any federal, state, or local law, (ii) petroleum, and (iii) asbestos. The provisions of this Section 20, including, without limitation, the indemnification provisions set forth herein, shall survive any termination of this Lease.

## **SECTION 21 MISCELLANEOUS**

### **21.1 Complete Agreement; No Implied Covenants.**

This Lease constitutes the entire agreement of the parties and supersedes all prior written and oral agreements and representations and there are no implied covenants or other agreements between the parties except as expressly set forth in this Lease. Neither Landlord nor Tenant is relying on any representations other than those expressly set forth herein.

### **21.2 Space Leased AS IS.**

Unless otherwise stated in this Lease, the Premises are leased AS IS in the condition now existing with no alterations or other work to be performed by Landlord.

### **21.3 Captions.**

The titles to the Sections of this Lease are descriptive only and are not intended to change or influence the meaning of any Section or to be part of this Lease.

### **21.4 Nonwaiver.**

Failure by Landlord to promptly enforce any regulation, remedy, or right of any kind under this Lease shall not constitute a waiver of the same and such right or remedy may be asserted at any time after Landlord becomes entitled to the benefit thereof notwithstanding delay in enforcement.

### **21.5 Consent.**

Except where otherwise provided in this Lease, either party may withhold its consent for any reason or for no reason whenever that party's consent is required under this Lease.

### **21.6 Force Majeure.**

If performance by Landlord of any portion of this Lease is made impossible by any prevention, delay, or stoppage caused by governmental approvals, war, acts of terrorism, strikes, lockouts, labor disputes, acts of God, inability to obtain services, labor, or materials or reasonable substitutes for those items, governmental actions, civil commotions, fire or other casualty, or other causes beyond the reasonable control of Landlord, performance by Landlord for a period equal to the period of that prevention, delay, or stoppage is excused.

### **21.7 Commissions.**

Each party represents that it has not had dealings with any real estate broker, finder, or other person with respect to this Lease in any manner, except for the broker(s) identified in the Basic Lease Terms. Landlord shall pay a leasing commission in accordance with a separate agreement between Landlord and broker.

### **21.8 Successors.**

Subject to Section 9, this Lease shall bind and inure to the benefit of the parties, their respective heirs, successors, and permitted assigns.

### **21.9 Financial Reports.**

Within ten (10) days after Landlord's request, Tenant will furnish Tenant's most recent financial statements to Landlord. Tenant will discuss its financial statements with Landlord and will give Landlord access to Tenant's books and records in order to enable Landlord to verify the financial statements. Landlord will not disclose any aspect of Tenant's financial statements except (1) to Landlord's lenders or

prospective purchasers of the Building who have executed a sales contract with Landlord, (2) in litigation between Landlord and Tenant, or (3) if required by court order.

21.10 Waiver of Jury Trial.

To the maximum extent permitted by law, Landlord and Tenant each waive right to trial by jury in any litigation arising out of or with respect to this Lease.

21.11 Executive Order 13224.

Tenant hereby certifies all persons or entities holding any legal or beneficial interest whatsoever in Tenant are not included in, owned by, controlled by, acting for or on behalf of, providing assistance, support, sponsorship, or services of any kind to, or otherwise associated with any of the persons or entities referred to or described in Executive Order 13224 - Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, as amended.

21.12 Relocation.

Landlord shall have the right at any time during the Term of this Lease to require the Tenant to relocate to other space in the Project (hereinafter referred to as "Substitution Space"). The Substitution Space shall have approximately the same rentable square footage as the Premises. If Landlord desires to exercise such right, Landlord shall give Tenant not less than sixty (60) days prior written notification that Tenant is to relocate to another space. Landlord shall pay for all reasonable costs directly related to such relocation, including all reasonable costs and expenses related to improving the space with leasehold improvements equal to those then in Tenant's Premises. After such relocation, all terms, covenants, conditions, provisions, and agreements of this Lease shall continue in full force and effect and shall apply to the Substitution Space except that if the Substitution Space contains more square footage than the presently leased Premises, the monthly rental shall be increased proportionately. If Tenant shall retain possession of the Premises or any part thereof following the date set for relocation or termination, Tenant shall be liable to Landlord, for each day of such retention, for double the amount of the daily rental for the last period prior to the date of such expiration or termination, plus actual damages incurred by Landlord resulting from delay by Tenant in surrendering the Premises, including, without limitation, any claims made against Landlord by any succeeding tenant to the Premises and Landlord's costs in taking any action to evict Tenant from the Premises.

21.13 Confidentiality.

Landlord and Tenant shall keep the content and all copies of this Lease, all related documents and amendments, and all proposals, materials, information (including but not limited to rental terms, rent abatement, construction allowance, and any other concessions or terms of the business deal), all financial information provided by Guarantor, and matters relating hereto strictly confidential and shall not disclose, divulge, disseminate or distribute any of the same, or permit the same to occur, except to the extent reasonably required for proper business purposes by Landlord's or Tenant's employees, attorneys, agents, insurers, auditors, lenders and permitted successors and assigns (and Landlord shall obligate any such parties to whom disclosure is permitted to honor the confidentiality provisions hereof) and except as may be required by law or court proceedings. This confidentiality provision shall be binding upon the parties hereto and their respective successor and assigns and shall survive the expiration of this Lease. Tenant and its representatives shall be prohibited from issuing any press release(s) or communicating with the media regarding the proposed or agreed to transaction, in which the Tenant has not received prior written authorization from Landlord.

21.14 Mold.

Tenant shall not allow or permit any conduct or omission at the Premises, or anywhere on Landlord's property, that will promote or allow the production or growth of mold, spores, fungus, or any other

similar organism (except for non-pathogen microbials that Tenant uses for business purposes only, and only in compliance with applicable laws), and shall indemnify and hold Landlord harmless from any claim, demand, cost, and expense (including attorney fees) arising from or caused by Tenant's failure to strictly comply with its obligations under this provision.

21.15 Intentionally Deleted.

21.16 Exhibits.

Exhibits "A" (Legal Description) "B" (Floor Plan Showing Premises), "C" (Tenant's Work), and "D" (Rules and Regulations) are attached hereto and incorporated as a part of this Lease.

**[Signatures on next page.]**

IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this Lease as of the day and year first written above.

**LANDLORD:**

BROADWAY INVESTORS II, LLC,  
a Washington, limited liability company

By:  /s/ \_\_\_\_\_

Its:  Manager \_\_\_\_\_

**TENANT:**

ABSCI, LLC,  
a Delaware limited liability company

By:  /s/ Sean McClain \_\_\_\_\_

Its:  CEO \_\_\_\_\_

STATE OF WASHINGTON )  
 ) ss.  
County of Clark

I certify that Lance E. Killian appeared personally before me and that I know or have satisfactory evidence that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Manager of Broadway Investors II, LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 11th day of August, 2016.

/s/ Lorraine Doyle  
\_\_\_\_\_  
NOTARY PUBLIC FOR WASHINGTON  
My Commission Expires: 07/01/2019



1 )  
 ) ss.  
ah

I certify that Sean McClain appeared personally before me and that I know or have satisfactory evidence that he/she signed this instrument, on oath stated that he/she was authorized to execute this instrument and acknowledged it as the CEO of AbSci, LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED this 10th day of August, 2016.

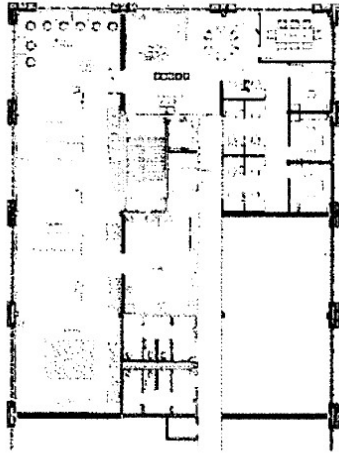


/s/ Michael Alexander  
\_\_\_\_\_  
NOTARY PUBLIC FOR WASHINGTON Oregon  
My Commission Expires: February 12th, 2019

**EXHIBIT "A"**  
**Legal Description**

LOTS 3, 4, 5 AND 6 OF BLOCK 24 OF "EAST VANCOUVER" (C-70) LOCATED IN A PORTION OF THE NW <sup>1</sup>/<sub>4</sub> OF THE SE <sup>1</sup>/<sub>4</sub> OF SECTION 27.

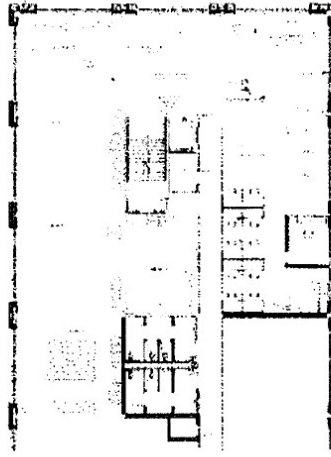
**EXHIBIT "B"**  
**Floor Plan Showing Premises**



ABSC OFFICE  
INITIAL PLAN

ABSC OFFICE  
GROWTH PLAN

1 LEVEL 1 FLOOR PLAN



ABSC OFFICE  
INITIAL PLAN

ABSC OFFICE  
GROWTH PLAN

2 LEVEL 2 FLOOR PLAN GROWTH

PLACE STAMP HERE
<b>M</b>
ABSC SYSTEM COMMERCIAL REAL ESTATE, INC. 11111111111111111111
ABSC SYSTEM COMMERCIAL REAL ESTATE, INC. 11111111111111111111
LEVEL 2 FLOOR PLAN
SCALE PLAN
DATE: 11/11/11 BY: [Signature]
11111111



**EXHIBIT "C"**  
**Tenant's Work**

1. Design of Tenant's Work.

1.1 Landlord shall provide Tenant with copies of all available as-built documentation, including: (a) structural drawings for the Base Building and framing plans and sections for the Premises and one floor below the Premises, (b) Base Building mechanical plans indicating the location and specification of primary systems and points of connection, and (c) as-built architectural and engineering plans for the Premises, including partition, structural, mechanical, electrical, plumbing and reflected ceiling plans.

1.2 Tenant shall provide Landlord with the name of the architect Tenant intends to engage for the preparation of the plans and specifications for the work to be performed at, in or on the Premises by or at the direction of Tenant (collectively, "Tenant's Work"). If Tenant decides to engage a different architect, Tenant shall promptly inform Landlord of the identity and mailing address of such architect.

1.3 Tenant shall submit to Landlord a preliminary plan showing the desired design character and finish of the Premises (the "Space Plans"). The Space Plans shall comply with the terms of the Lease and shall set forth in general the architectural design of the space, plans, elevations, sections, material selections and finishes.

1.4 Within ten (10) business days after receipt of the Space Plans, Landlord shall return to Tenant a set of prints of Space Plans with its suggested modifications and/or approval, which approval shall not be unreasonably withheld or delayed. Unless Landlord responds within such ten (10) business day period, Landlord shall be deemed to have approved the Space Plans. If Tenant disagrees with Landlord's comments, Tenant may do so in writing within five (5) business days of receipt of Landlord's comments. Unless Tenant responds within such five (5) business day period, Tenant shall be deemed to have accepted all suggested modifications.

1.5 If the Space Plans are returned to Tenant with comments, the Space Plans shall be revised by Tenant and resubmitted to Landlord within five (5) business days of receipt by Tenant and Landlord shall respond within five (5) business days or Landlord shall be deemed to have approved Tenant's Space Plans.

1.6 Promptly following the date on which the Space Plans bearing Landlord's approval (with or without suggested modifications) are returned to Tenant, Tenant, at its sole cost and expense, shall cause its architect or designer to prepare working drawings and specifications (the "Plans") for the Premises based on the Space Plans approved by Landlord.

1.7 Upon completion of the Plans, Tenant's architect or designer shall submit to Landlord one (1) set of Plans for Landlord's approval. Landlord's approval of the Plans shall not be unreasonably withheld, conditioned or delayed. One (1) set of Plans bearing Landlord's comments, if any, shall be returned to Tenant's architect or designer within ten (10) business days after receipt thereof.

2. Permits. Promptly following Landlord's approval of the Plans, Tenant shall submit for and obtain all permits and other governmental approvals required for Tenant's Work. Tenant shall commence Tenant's Work immediately after substantial completion of Landlord's Work and after obtaining all such required permits and governmental approvals and shall diligently see Tenant's Work through to completion in conformance with the requirements of the Lease.

3. Changes. Any changes in the Tenant's Work from the approved Plans shall be subject to Landlord's prior approval, which approval shall not be unreasonably withheld or delayed.

4. Commencement of Tenant's Work. Tenant shall not commence Tenant's Work until Tenant has:

4.1 Received Landlord's written approval of the Tenant's Plans.

4.2 Notified Landlord in writing of Tenant's intent to commence construction activities.

4.3 Delivered to Landlord a certificate or copy of an insurance policy showing evidence of insurance as required by the Lease for both Tenant and Tenant's contractors. The certificates shall state that the required coverage will remain in force for the duration of construction.

4.4 Delivered to Landlord copies of all required building and/or special permits and approvals issued by the appropriate governmental authorities for the Tenant's Work.

4.5 Delivered to Landlord a copy of the executed construction contract(s) for the Tenant's Work or a list of all contractors, subcontractors and materials suppliers who will perform work or supply materials in connection with the Tenant's Work.

5. Special Provisions Applicable to Tenant's Work. Tenant's Work shall be performed in a good and workmanlike manner and all improvements constructed pursuant thereto shall be in good and usable condition at the date of completion. Tenant and Tenant's contractors are limited to performing their work, including any storage for construction purposes, within the Premises only. Any outside material and/or tool storage must be approved by Landlord in writing. Landlord shall not charge a construction management fee.

6. Improvement Allowance. As an inducement to lease, Landlord shall provide Tenant with an "Improvement Allowance" for Tenant's Work in the amount of Fifty-One and 25/100 Dollars (\$51.25) per rentable square foot of the Premises for a total of Three Hundred Twenty-Eight Thousand and 00/100 Dollars (\$328,000.00) to be used for the cost of Tenant's Work. The Improvement Allowance shall be paid directly to Tenant within thirty (30) days after (a) Landlord has received a detailed breakdown of the cost of Tenant's Work, (b) a certificate of occupancy has been issued by the appropriate governmental authority indicating that Tenant's construction work was performed in accordance with local and state codes and that the Premises are acceptable for occupancy, which work must be completed in accordance with the Plans approved by Landlord, (c) Landlord has received an affidavit from Tenant's general contractor stating that all contractors, subcontractors, materialmen, suppliers, architects, engineers, and all other persons performing work or supplying materials and/or services on or about the Premises in connection with Tenant's Work have been paid in full and have waived all liens and claims arising as a result of such work, (d) Landlord has received approved notarized original final lien waivers for all contractors, subcontractors, materialmen, suppliers and all other persons performing work or supplying materials on or about the Premises in connection with Tenant's Work, (e) Tenant shall not be in arrears with regard to any rent or other charges which may be due or owing or otherwise in default of the Lease, and (f) Tenant is open for business in the Premises.

No amount of the Improvement Allowance shall be allowed to purchase Tenant's inventory, as a setoff against rent, to pay for Tenant's moving costs or furniture, or any other charges owing to Landlord by Tenant. In the event Tenant is in default under the Lease beyond any applicable grace period and Landlord thereafter terminates this Lease, the unamortized portion of the Improvement Allowance shall be deemed sums advanced by Landlord on Tenant's behalf and such unamortized portion (in accordance with the formula set forth below) shall be due from Tenant as additional rent payable in a lump sum as an additional remedy of Landlord under the Lease.

Amortization Formula

$$U = A \times (RM \div LM)$$

WHERE

U = Unamortized portion of Improvement Allowance.

A = Amount of Improvement Allowance plus simple interest at 12% per annum from the date of this Lease until the date of termination.

LM = Total months during the initial Lease term.

AND

RM = Remaining months to the end of the initial Lease term.

7. Coordination of Tenant's Work. Tenant's Work shall be coordinated with all work being performed or to be performed by Landlord and other occupants of the Building to the end that Tenant's Work will not interfere with the operation of the Building or unreasonably interfere with or delay the completion of any other

construction within the Building. Tenant shall cause each contractor and subcontractor working on the Premises to comply with all procedures and regulations prescribed by Landlord.

**EXHIBIT "D"**  
**Rules & Regulations**

Tenant covenants and agrees to comply with the following rules and regulations as they may be modified or amended during the term:

1. The entrances, halls, corridors, stairways, exits, and elevators shall not be obstructed by any of the tenants or used for any purpose other than for ingress from their respective premises. The entrances, halls, corridors, stairways, exits, and elevators are not intended for use by the general public but for the tenant and its employees, licensees, and invitees. Landlord reserves the right to control and operate the public portions of the Building and the public facilities, as well as facilities furnished for the common use of the tenants, in such manner as it in its reasonable judgment deems best for the benefit of the tenants generally. No tenant shall invite to the tenants' premises, or permit the visit of, persons in such numbers or under such conditions as to interfere with the use and enjoyment of any of the plazas, entrances, corridors, elevators, and other facilities of the Building by any other tenants. Fire exits and stairways are for emergency use only, and they will not be used for any other purpose.

2. Landlord may refuse admission to the Building outside of Ordinary Building Hours to any person not producing identification satisfactory to Landlord. If Landlord issues identification passes, Tenant shall be responsible for all persons for whom it issues any such pass and shall be liable to Landlord for all acts or omissions of such persons. Landlord shall, in no case, be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In the case of invasion, mob, riot, public excitement or other circumstances rendering such action advisable in Landlord's opinion, Landlord reserves the right to prevent access to the Building during the continuance of the same by such action as Landlord may deem appropriate including closing doors. Landlord also reserves the right to exclude or expel from the Building any person who, in Landlord's judgment, is intoxicated or under the influence of liquor or drugs or who is in violation of any of the rules and regulations of the Building.

3. No awnings or other projections shall be attached to the outside walls of the Building. No curtains, draperies, shutters, blinds, shade, screens, or other coverings, hangings or decorations, if any, which are different from the standards adopted by Landlord for the Building shall be attached to or hung in any exterior window or door of the premises of any tenant without the prior written consent of Landlord. No files, cabinets, boxes, containers or similar items shall be placed in, against or adjacent to any window of the Building so as to be visible from the outside of the Building.

4. No sign, placard, picture, name lettering, advertisement, notice, or object visible from the exterior of any tenant's premises shall be displayed in or on the exterior windows or doors, or on the outside of any tenant's premises, or at any point inside any tenant's premises where the same might be visible outside of such premises, without the prior written consent of Landlord. Landlord may adopt and furnish to tenants general guidelines relating to signs inside the Building and Tenant shall conform to such guidelines. All approved signs or lettering shall be prepared, printed, affixed, or inscribed at the expense of the tenant and shall be of a size, color, and style acceptable to Landlord.

5. The windows that reflect or admit light and air into the halls, passageways, or other public places in the Building shall not be covered or obstructed by any tenant, nor shall any bottles, parcels, or other articles be placed on the windowsills. Each tenant shall cooperate fully with Landlord in obtaining maximum effectiveness of the cooling system of the Building by closing draperies and other window coverings when the sun's rays fall upon windows of its premises.

6. No showcases or other articles shall be put in front of or affixed to any part of the exterior of the Building, nor placed in the halls, corridors, or vestibules.

7. No bicycles, vehicles, animals, fish, or birds of any kind shall be brought into or kept in the premises of any tenant or the Building, with the exception of bicycles which may be brought into the Building via an entrance designated by Landlord.

8. No noise or vibrations, including, but not limited to, music or the playing of musical instruments, recordings, radio or television, which, in the judgment of Landlord, might disturb other tenants in the Building, shall be made or permitted by any tenant.

9. No acids, vapors, or other materials shall be discharged or permitted to be discharged into the waste lines, vents, or flues of the Building, which may cause damage to them, as determine by Landlord in its reasonable discretion. The water and wash closets and other plumbing fixtures in or serving the Premises shall not be used for any purpose other than the purposes for which they were designed or constructed, and no sweepings, rubbish, rags, acids, paint, or other feign substances shall be deposited therein. All damage resulting from any misuse of the fixtures shall be borne by Tenant. Except as otherwise set forth in the Lease, Tenant shall not, at any time bring into or keep upon the premises or the Building any inflammable, combustible, explosive, environmentally hazardous or otherwise dangerous fluid, chemical, or substance. No tenant shall use or keep or permit to be used or kept any toxic materials or any foul or noxious gas or substance in its premises or permit or suffer its premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of odors or interfere in any way with other tenants or those having business therein.

10. All movement of freight, furniture, packages, boxes, crates, or any other object or matter of any description must take place during such hours and in such elevators, and in such manner as Landlord or its agent may determine from time to time. Any labor and engineering costs incurred by Landlord on behalf of a particular tenant in connection with any moving herein specified shall be paid by such tenant to Landlord, on demand.

11. No tenant shall use its premises, or permit any part thereof to be used, for manufacturing or the sale at retail or auction of merchandise, goods, or property of any kind, unless said use is consistent with the use provisions of the Lease.

12. Landlord shall have the right to prescribe the weight and position of safes and other objects of excessive weight, and no safe or other object whose weight exceeds the lawful load for the area upon which it would stand shall be brought into or kept upon any tenant's premises. If, in the judgment of Landlord, it is necessary to distribute the concentrated weight of any heavy object, the work involved in such distribution shall be done at the expense of the tenant and in such manner as Landlord shall determine.

13. Landlord, its contractors, and their respective employees, shall have the right to use, without charge therefor, all light, power, and water in the premises of any tenant while cleaning or making repairs or alterations in the premises of such tenant.

14. No premises of any tenant shall be used for lodging or sleeping or for any immoral or illegal purpose.

15. The requirements of tenants for any services by Landlord will be attended to only upon prior application to the Landlord. Employees of Landlord shall not perform any work or do anything outside of their regular duties, unless under special instructions from Landlord.

16. Canvassing, soliciting, and peddling in the Building are prohibited and each tenant shall cooperate to prevent the same.

17. Each tenant shall store its trash and garbage within its premises. No material shall be placed in the trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of office building trash and garbage in the area of the Building without being in violation of any law or ordinance governing such disposal. All garbage and refuse disposal shall be made only through entryways and elevators provided for such purposes and at such times as Landlord shall designate. No tenant shall cause or permit any unusual or objectionable odors to emanate from its premises which would annoy other tenants or create a public or private nuisance.

18. No coin vending machine, video game, coin or token operated amusement device, or similar machine shall be used or installed in any tenant's premises without Landlord's prior written consent.

19. No bankruptcy, going out of business, liquidation, or other form of distress sale shall be held on any of tenant's premises. No advertisement shall be done by loudspeaker, barkers, flashing lights, or displays or other methods not consistent with the character of an office building.

20. Nothing shall be done or permitted in any tenant's premises, and nothing shall be brought into or kept in any tenant's premises, which would impair or interfere with the economic heating, ventilating, air conditioning, electrical, fire safety, lighting systems, cleaning, or other servicing of the Building or the premises, or the use or enjoyment by any other tenant of any other premises, nor shall there be installed by any tenant any ventilating, air conditioning, electrical, or other equipment of any kind which, in the reasonable judgment of Landlord, might cause any such impairment or interference. Landlord reserves the right to install solar film on the windows of the Building to aid the efficiency of the HVAC system and to reduce energy costs. No tenant shall remove solar film from any window. Each tenant shall also cooperate with Landlord to comply with any governmental energy-saving rules, laws or regulations.

21. No acids, vapors, or other similar caustic materials shall be discharged or permitted to be discharged into the waste lines, vents, or flues of the Building. The water and wash closets and other plumbing fixtures in or serving any tenant's premises shall not be used for any purpose other than the purposes for which they were designed or constructed, and no sweepings, rubbish, rags, acids, or other foreign substances shall be deposited therein. All damages resulting from any misuse of the fixtures shall be borne by the tenant who, or whose servants, employees, agents, invitees, visitors, or licensees shall have caused the same.

22. All entrance doors in each tenant's premises shall be left locked and all windows shall be left closed by the tenant when the tenant's premises are not in use. Entrance doors to the tenant's premises shall not be left open at any time. Each tenant, before closing and leaving its premises at any time, shall turn out all lights.

23. Hand trucks not equipped with rubber tires and side guards shall not be used within the Building.

24. Landlord reserves the right to add, change, rescind, modify, alter, or waive any rule or regulation at any time prescribed for the Building when, in its reasonable judgment, it deems it necessary, desirable or proper for its best interest and for the best interests of the tenants generally, and no alteration or waiver of any rule or regulation in favor of any tenant shall constitute a waiver or alteration in favor of any other tenant. Landlord shall not be responsible to any tenant for the nonobservance or violation by any other tenant of any of the rules and regulations at any time prescribed for the Building.

25. Changes to these rules and regulations shall become effective when written notice thereof is provided to tenants of the Building.

26. Tenant shall be permitted during the Term of the Lease to bring into the Premises fully domesticated and trained dogs kept by Tenant's employees as pets ("Permitted Dogs") provided and conditioned upon the compliance with each of the following: (i) all Permitted Dogs shall be strictly controlled at all times and shall not be permitted to foul, damage or otherwise mar any part of the Premises or the Building; (ii) upon Landlord's request from time to time, Tenant shall provide Landlord with evidence of all current vaccinations (including rabies) for Permitted Dogs; (iii) Tenant shall be responsible for any additional cleaning costs and all other costs which may arise from the presence of Permitted Dogs and Tenant shall be solely responsible for any soiling or damages caused by any Permitted Dogs (including, without limitation, costs with respect to the maintenance and repair of the parking garage, exterior landscaping and sidewalks); (iv) Tenant shall indemnify, protect, defend and hold harmless Landlord and Landlord's agents, employees and contractors for, from and against any and all costs, claims, damages, expenses, liabilities, costs and expenses (including attorneys' fees) arising from or caused by any and all acts of Permitted Dogs or other dogs brought into the Building by Tenant and Tenant's agents, employees, contractors or invitees (including, without limitation, biting or causing bodily injury to, or damage to property); (v) Tenant shall provide Landlord with evidence that Tenant's insurance covers dog-related injuries and damage; (vi) Tenant shall immediately removal any waste and excrement caused by Permitted Dogs; (vii) Permitted Dogs shall not be permitted in common areas except in route to the Premises and shall enter and leave the Premises solely by means of the freight elevator; (viii) Tenant shall have provided Landlord with an updated list of the description of each Permitted Dog; (ix) Permitted Dogs shall be on a leash at all times when outside of the Premises; (x) Tenant

shall take precautions so that Permitted Dogs with fleas and/or infections or open wounds are not allowed in the Building; (xi) strong pet odor and/or poor behavior (such as aggression or loud barking as determined by Landlord in its sole discretion) shall not be tolerated and any dog exhibiting such behavior shall be barred from the Building; (xii) upon thirty (30) days' notice, Tenant shall reimburse Landlord for the cost of any special cleaning services Landlord uses to remedy any soiling or damage caused by a Permitted Dog; and (xiii) each Permitted Dog must have all current licenses required by applicable laws. Landlord shall have the unilateral right at any time to rescind Tenant's rights to have any dogs in the Premises if Tenant violates any of these provisions or if Landlord determines in good faith that there is a legitimate business reason not to continue to allow dogs in the Building.

**EXHIBIT "E"**  
**Guaranty**

In consideration of the agreement of Broadway Investors II, LLC, a Washington limited liability company ("Landlord"), to enter into a Lease dated August 11th, 2016 (the "Lease") between Landlord and AbSci, LLC, a Delaware limited liability company ("Tenant"), pertaining to certain premises located on the third (3<sup>rd</sup>) floor of the Building with an address of 101 E. 6th Street, Vancouver, WA 98660, the undersigned (collectively, and jointly and severally, "Guarantor") hereby unconditionally and irrevocably guarantees the punctual payment of all Base Rent, as defined in the Lease, additional rent and all other payments required to be paid by Tenant under the Lease, and the prompt performance of all other obligations of Tenant under the Lease, *provided, however*, Guarantor's liability under this Guaranty shall not exceed a total of \$250,000.00. As Guarantor consists of more than one person or entity, all liability or Guarantor hereunder shall be joint and several. If after 12 months during the initial lease term, Tenant has not defaulted and faithfully paid their rent and additional rent and Tenant has sent updated financial statements to Landlord that meets Landlord's approval, Landlord, at Landlord's sole discretion will consider removal of John Southern, David Souther and/or The Souther Company guarantee obligations in substitute for other surety provided by Tenant.

Guarantor shall be directly and primarily liable to landlord for any amount due from Tenant under the Lease, without requiring that Landlord first proceed against Tenant, join Tenant in any proceeding brought to enforce this Guaranty, or exhaust any security held by Landlord. Guarantor agrees that Landlord may deal with Tenant in any manner in connection with the Lease without the knowledge or consent of Guarantor and without affecting Guarantor's liability under this Guaranty. Without limiting the generality of the foregoing, Guarantor agrees that any renewal, extension of time, assignment of any right under the Lease, amendment or modification to the Lease, delay or failure by Landlord in the enforcement of any right under the Lease, or compromise of the amount of any obligation or liability under the Lease made with or without the knowledge or consent of Guarantor shall not affect Guarantors liability under this Guaranty. Guarantor's Liability under this Guaranty is absolute and continuing and shall not be affected by any bankruptcy, reorganization, insolvency of similar proceeding affecting Tenant, nor by any termination or disaffirmance of the Lease or any of Tenant's obligations thereunder in connection with such proceeding. This Guaranty shall remain in full force and effect until the performance in full to Landlord's satisfaction of all obligations of Tenant under the Lease.

Guarantor hereby waives any claim or other right now existing or hereafter acquired against Tenant that arises from the performance of Guarantor's obligations under this Guaranty, including, without limitation, any rights of contribution, indemnity, subrogation, reimbursement or exoneration. Guarantor hereby agrees to indemnify, defend and hold Landlord harmless from and against all claims, liabilities, losses and expenses, including legal fees, suffered or incurred by Landlord as a result of claims to avoid any payment received by Landlord from Tenant with respect to the obligations of Tenant under the Lease.

Guarantor hereby waives presentment, protest, notice of default demand for payment, and all other suretyship defenses whatsoever with respect to any payment guaranteed under this Guaranty, and agrees to pay unconditionally upon demand all amounts owed under the Lease. Guarantor further waives any setoff, defense or counterclaim that Tenant or Guarantor may have or claim to have against landlord and the benefit of any statute of limitations affecting Guarantor's liability under this Guaranty.

No failure or delay on the part of Landlord in the exercise of any power, right or privilege under this Guaranty or the Lease and no course of dealing with respect thereto shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any power, right or privilege thereunder preclude any other or further exercise thereof or the exercise of any other power, right or privilege. All rights and remedies existing under this Guaranty and the Lease are cumulative to, and not exclusive of, any rights and remedies provided by law or otherwise available.

This Guaranty, and all obligations of any Guarantor hereunder, shall terminate upon payment in full of all guaranteed obligations. If, at any time, all or part of any payment of the guaranteed obligations theretofore made by any Guarantor or any other person is rescinded or otherwise must be returned by Landlord for any reason whatsoever (including 1 without limitation, the insolvency, bankruptcy or reorganization of any Guarantor of any



other person), this Guaranty shall continue to be effective or shall be reinstated as to the guaranteed obligations which were satisfied by the payment to be rescinded or returned, all as though such payment had not been made.

If Landlord retains an attorney to enforce this Guaranty or to bring any action or any appeal in connection with this Guaranty, the Lease, or the collection of any payment under this Guaranty or the Lease, Landlord shall be entitled to recover its attorneys' fees, costs, and disbursements in connection therewith as determined by the court before which such action or appeal is heard, in addition to any other relief to which Landlord may be entitled. Any amount owing under this Guaranty shall bear interest from the date such amount was payable to Landlord to the date of repayment at a rate equal to the lesser of 18% and the maximum rate permitted by law.

Landlord shall have the unrestricted right to assign this Guaranty in connection with an assignment of the Lease without the consent of, or any other action required by, Guarantor. Each reference in this Guaranty to Landlord shall be deemed to include its successors and assigns, to whose benefit the provisions of this Guaranty shall also inure. Each reference in this Guaranty to Guarantor shall be deemed to include the successors and assigns of Guarantor, all of whom shall be bound by the provisions of this Guaranty. Within ten (10) days after delivery of written demand therefor from Landlord, Guarantor shall execute and deliver to Landlord a statement in writing certifying that this Guaranty is unmodified and in full force and effect, which statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the premises or property. If any provision of this Guaranty is held to be invalid or unenforceable, the validity and enforceability of the other provisions of this Guaranty shall not be affected.

Notwithstanding anything to the contrary contained in the Lease or this Guaranty, subject to Landlord's reasonable approval, Guarantor shall have the option of depositing \$250,000.00 (the "Guaranty Amount") with Landlord to be held by Landlord to unconditionally and irrevocably guaranty the punctual payment of all Base Rent, as defined in the Lease, additional rent and all other payments required to be paid by Tenant under the Lease, and the prompt performance of all other obligations of Tenant under the Lease. If Tenant and/or Guarantor deposits the Guaranty Amount with Landlord, Guarantor shall be released from liability under this Guaranty. Landlord's obligations with respect to the Guaranty Amount are those of a debtor and not of a trustee, and Landlord cannot commingle the Guaranty Amount with Landlord's general funds. Landlords shall not be required to pay Tenant interest on the Guaranty Amount.

GUARANTOR:

The Souther Company, an Oregon corporation

John Souther, an individual

By: /s/ David W. Souther  
Its: President  
Tax ID Number: 93-0638258  
Dated: 8-10-16

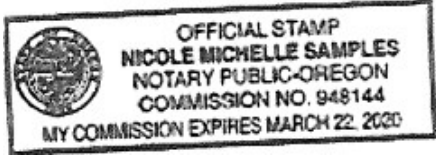
19412 green Lakes LP.  
Bend, OR 97702  
Dated: 8-10-16

David Souther, an individual  
18611 Couch Market Rd.  
Bend, OR 97703  
Dated: 8-10-16

[Signature continued on following Page]

STATE OF Oregon )  
 ) ss.  
County of Deschutes )

This instrument was acknowledged before me this 10 day of Aug., 2016, by David W. Souther.



/s/ Nicole Michelle Samples  
Notary Public for Oregon  
My Commission Expires March 22, 2020

STATE OF \_\_\_\_\_ )  
 ) ss.  
County of \_\_\_\_\_ )

This instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2016, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public for \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 ) ss.  
County of \_\_\_\_\_ )

This instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2016, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public for \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

## AMENDMENT NO. 2 OF LEASE

This Amendment No. 2 of Lease (this "Amendment") is made as of November 27, 2017, between Broadway Investors II, LLC, a Washington limited liability company ("Landlord"), and AbSci, LLC, a Delaware limited liability company ("Tenant").

### RECITALS

A. Landlord and Tenant entered into that certain Hudson Building Office Lease dated August 11, 2016, as amended by that certain Amendment No. 1 of Lease dated January 20, 2017 (collectively, the "Lease"). Capitalized terms used in this Amendment shall have the meanings given to them in the Lease, except as provided in this Amendment.

B. Pursuant to the Lease, Landlord leases to Tenant that certain space containing approximately 6,501 rentable square feet in Suite 300 of the building with an address of 101 E. Sixth Street, Vancouver, Washington 98660 ("Building"), and more particularly described in the Lease (the "Existing Space").

C. Landlord and Tenant desire to, among other things, expand the Premises to include that certain space in Suite 320 consisting of approximately 747 rentable square feet, as more particularly described on the attached Exhibit "B-I" (the "Expansion Space") in accordance with the terms and conditions set forth in this Amendment.

### AGREEMENT

In consideration of the mutual covenants and conditions contained herein and for other good and valuable consideration, Landlord and Tenant agree as follows:

#### 1. Amendment of Lease

**A. Expansion Space Commencement Date.** Effective as of the date that Landlord delivers possession of the Expansion Space to Tenant in the condition required herein (the "Expansion Commencement Date") the Premises shall be deemed to include the Expansion Space such that the Premises shall consist of approximately 7,248 rentable square feet. The term of the Lease for the Expansion Space shall run coterminous with the term of the Lease for the Existing Space, such that the Lease shall expire as of December 10, 2021. The anticipated Expansion Commencement Date is October 1, 2017; *provided that* if Landlord is unable to deliver possession of the Expansion Space on the anticipated Expansion Commencement Date, Landlord shall have no liability to Tenant for delay in delivering possession.

**B. As-Is Condition of Expansion Space and Allowance.** Except as expressly provided in this Section 1.B., Tenant acknowledges that no representations respecting the condition of the Expansion Space have been made by Landlord or its agents to Tenant, it being expressly understood that Tenant shall accept the Expansion Space in its "as is" condition and Landlord shall have no obligation to make any improvements to the Existing Space or Expansion Space. Subject to Tenants compliance with the provisions of Section 5.2 and Exhibit "C" of the

original Lease, Tenant may make improvements to the Expansion Space. As an inducement to enter into this Amendment, Landlord shall provide Tenant with an "Improvement Allowance" in the amount of up to Twenty and 00/100 Dollars (\$20.00) per rentable square foot of the Expansion Space (approximately \$14,940) to be used for improvements to the Expansion Space. In addition, Landlord shall finance up to (i) Eighteen Thousand Dollars (\$18,000.00) for Tenant to move the existing low voltage wiring and sink from the Expansion Space to the adjacent Suite 330 in the Building ("Voltage Allowance"), and (ii) Thirty-Five Thousand Dollars (\$35,000.00) for hard cost improvements to the Expansion Space incurred by Tenant in excess of the Improvement Allowance and the Voltage Allowance ("Additional Financed Allowance"). The Improvement Allowance, Voltage Allowance and Additional Financed Allowance are collectively referred to herein as the "Allowance". In no event shall any portion of the Allowance be used to purchase Tenants inventory or as a set off against rent owing to Landlord by Tenant. Tenant shall have no right to any portion of the Allowance that it does not use as required herein by November 30, 2018, and Landlord shall have no obligation to disburse such unused portion.

The Allowance shall be paid directly to Tenant within thirty (30) days after (a) Landlord has received a detailed breakdown of the cost of Tenant's improvements in the Expansion Space, (b) if necessary, a certificate of occupancy has been issued by the appropriate governmental authority indicating that Tenant's construction work was performed in accordance with local and state codes and that the Expansion Space is acceptable for occupancy, (c) Landlord has received an affidavit from Tenant's general contractor stating that all contractors, subcontractors, materialmen, suppliers, architects, engineers, and all other persons performing work or supplying materials and/or services on or about the Premises in connection with Tenant's improvements have been paid in full and have waived all liens and claims arising as a result of such work, (d) Landlord has received approved notarized original final lien waivers for all contractors, subcontractors, materialmen, suppliers and all other persons performing work or supplying materials on or about the Premises in connection with Tenant's improvements in the Expansion Space, and (e) Tenant shall not be in arrears with regard to any rent or other charges which may be due or owing or otherwise in default of the Lease.

Tenant shall repay Landlord the Voltage Allowance and Additional Financed Allowance, as additional rent and along with monthly Base Rent, in equal monthly installments of principal and interest, amortized over the remaining term of the Lease, which principal amount shall incur interest on the unpaid principal balance at the rate of eight percent (8%) per annum. In the event Tenant is in default at any time under the Lease, the entire unpaid principal balance and accrued interest on the Voltage Allowance and Additional Financed Allowance shall be immediately due and payable.

**C. Base Rent.** Beginning as of the Expansion Commencement Date and continuing through the remainder of the term of the Lease, Tenant shall pay Landlord monthly Base Rent with respect to the Premises as follows:

<u>Period (Months)</u>	<u>Monthly Base Rent for Existing Space</u>	<u>Monthly Base Rent for Expansion Space</u>	<u>Total Monthly Base Rent</u>
Expansion Commencement Date - 11/30/17*	\$12,652.20	Abated	\$12,652.20
12/1/17 - 12/31/17	\$12,652.20	\$1,867.50	\$14,519.70
1/1/18 - 9/30/18	\$14,731.27	\$1,867.50	\$16,598.77
10/1/18 - 12/31/18	\$14,731.27	\$1,923.53	\$16,654.80
1/1/19 - 9/30/19	\$15,173.20	\$1,923.53	\$17,096.73
10/1/19 - 12/31/19	\$15,173.20	\$1,981.24	\$17,154.44
1/1/20 - 9/30/20	\$15,628.40	\$1,981.24	\$17,609.64
10/1/20 - 12/31/20	\$15,628.40	\$2,040.68	\$17,669.08
1/1/21 - 9/30/21	\$16,097.25	\$2,040.68	\$18,137.93
10/1/21 - 11/30/21	\$16,097.25	\$2,101.90	\$18,199.15
12/1/21 - 12/10/21**	\$5,192.66	\$678.00	\$5,870.66

D.

\*The dates set forth in the table shall be adjusted such that Tenant's obligation to pay monthly Base Rent with respect to the Expansion Space shall be abated for the first (1st) two (2) full months after the Expansion Space.

\*\*Monthly Base Rent Prorated based upon 31 days in December.

As reflected above, Tenant shall have no obligation to pay monthly Base Rent for the first (1st) two (2) full months with respect to the Expansion Space, commencing with the Expansion Space Commencement Date (the "Expansion Space Free Rent Period") resulting in an abatement of monthly Base Rent in the amount of \$1,867.50 per month. If the Lease is terminated during such Expansion Space Free Rent Period, Tenant shall not be entitled to any such rent abatement after the date of termination nor shall Tenant be entitled to assert any right to rent abatement after such termination against any sums due Landlord. The rent abatement granted under this Section is solely for the benefit of the entity executing this Amendment as tenant and is not transferable to any assignee or subtenant. In the event of a default by Tenant under the terms of the Lease which results in early termination pursuant to the provisions hereof, then as a part of the recovery to which Landlord shall be entitled shall be included a portion of such rent which was abated under the provisions of this Section, which portion shall be determined by multiplying the total amount of rent which was abated under this Section by a fraction, the numerator of which is the number of months remaining in the term of the Lease at the time of such default and the denominator of which is the number

E.

of months during the term of the Lease that Tenant is obligated to pay monthly Base Rent with respect to the Expansion Space. Notwithstanding the foregoing, during the Free Rent Period, Tenant shall pay Tenant's Proportionate Share of operating expenses and real property taxes

**F. Tenant's Proportionate Share.** As of the Expansion Commencement Date, Tenant's Proportionate Share for the Premises shall be 16.63% (7,248 RSF/43,579 RSF) for purposes of calculating Tenant's share of operating expenses and real property taxes.

**G. Addresses for Landlord.** From and after the date hereof, the address for notices to Landlord shall be as follows: 101 East 6th Street, Suite 350, Vancouver, Washington 98660, Attn: Lance Killian. From and after the date hereof, the address for rent payments to Landlord shall be as follows: Broadway Investors II, LLC, PO Box 122, Emerson, NJ 07630.

**H. Option Rights.** All options granted to Tenant and contained in the Lease, if any, including, without limitation, the right of first offer contained in Section 1.3 of the original Lease, any right to extend the term or expand the Premises are hereby deleted and are of no force or effect.

## 2. Tenant Representations

Tenant represents and warrants that:

**A. Due Authorization.** Tenant has full power and authority to enter into this Amendment without the consent of any other person or entity;

**B. No Assignment.** Tenant has not assigned the Lease, or sublet the Premises;

**C. No Default.** Tenant is not in default of the Lease and Tenant acknowledges that Landlord is not in default of the Lease;

**D. Binding Effect.** The Lease is binding on Tenant and is in full force and effect, and Tenant has no defenses to the enforcement of the Lease; and

**E. Real Estate Brokers.** There is no real estate broker or agent who is or may be entitled to any commission or finder's fee in connection with the representation of Tenant in this Amendment and Tenant shall indemnify and hold Landlord harmless from and against any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation, attorneys' fees and costs) with respect to any leasing commission or equivalent compensation alleged to be owing on account of such Tenant's discussions, negotiations and/or dealings with any real estate broker or agent.

## 3. General Provisions

**A. Attorneys' Fees.** If a suit or an action is instituted in connection with any dispute arising out of this Amendment or the Lease or to enforce any rights hereunder or

thereunder, the prevailing party shall be entitled to recover such amount as the court may adjudge reasonable as attorneys' and paralegals' fees incurred in connection with the preparation for and the participation in any legal proceedings (including, without limitation, any arbitration proceedings or court proceedings, whether at trial or on any appeal or review), in addition to all other costs or damages allowed.

**B. Counterparts; Facsimile and Scanned Email Signatures.** This Amendment may be executed in counterparts and when each party has signed and delivered at least one such executed counterpart to the other party, then each such counterpart shall be deemed an original, and, when taken together with the other signed counterpart, shall constitute one agreement which shall be binding upon and effective as to all signatory parties. Facsimile and scanned e mail signatures shall operate as originals for all purposes under this Amendment.

**C. Effect of Amendment.** The Lease is unmodified except as expressly set forth in this Amendment. Except for the modifications to the Lease set forth in this Amendment, the Lease remains in full force and effect. To the extent any provision of the Lease conflicts with or is in any way inconsistent with this Amendment, the Lease is deemed to conform to the terms and provisions of this Amendment.

**D. Binding Effect.** The provisions of this Amendment shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. No amendment, modification or supplement to this Amendment shall be binding upon the parties unless in writing and executed by Landlord and Tenant.

**E. Integration.** This Amendment contains the entire agreement and understanding of the parties with respect to the matters described herein, and supersedes all prior and contemporaneous agreements between them with respect to such matters.

**F. Submission of Amendment.** The submission of this Amendment for examination and negotiation does not constitute an offer to execute this Amendment by Landlord. This Amendment shall become effective and binding only upon execution and delivery hereof by Landlord and Tenant. No act or omission of any officer, employee or agent of Landlord or Tenant shall alter, change or modify any of the provisions hereof.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date first above written.

**LANDLORD:**

BROADWAY INVESTORS II, LLC,  
a Washington limited liability company

By: /s/ Joseph P. Fancli

Its: COO

**TENANT:**

ABSCI, LLC,  
a Delaware limited liability company

By: /s/ Sean McClain

Its: Sean McClain

**Reaffirmation of Guaranty:**

By executing this Amendment in the space provided below. The Souther Company, an Oregon corporation, David Souther, an individual, and John Souther, an individual (each a "Guarantor") reaffirm the obligations of Guarantor under his/its previously executed guaranty of Lease (the "Guaranty") with respect to the Existing Space only. Tenant's obligations with respect to the Expansion Space shall not be guaranteed by Guarantor and shall not be subject to the Guaranty.

**GUARANTOR:**

The Souther Company,  
an Oregon corporation

By: /s/ David Souther

Its: President

/s/ David Souther

David Southern, an individual

/s/ John B Souther Jr.

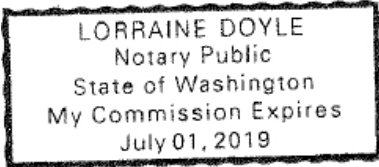
John Southern, an individual



)  
) ss.  
County of Clark

I certify that Joseph P. Fancli appeared personally before me and that I know or have satisfactory evidence that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Manager of Broadway Investors II, LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 27th day of November, 2017

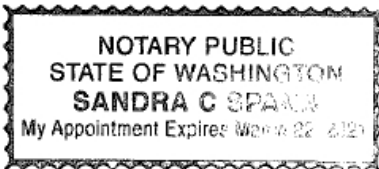


/s/ Lorraine Doyle  
NOTARY PUBLIC FOR WASHINGTON  
My Commission Expires: 07/01/2019

)  
) ss.  
County of Clark

I certify that Sean McClain appeared personally before me and that I know or have satisfactory evidence that he/she signed this instrument, on oath stated that he/she was authorized to execute this instrument and acknowledged it as the CEO of AbSci, LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED this 27th day of November, 2017.



/s/ Lorraine Doyle  
NOTARY PUBLIC FOR WASHINGTON  
My Commission Expires: March 22, 2021

)  
) ss.  
)

I certify that David Souther appeared personally before me and that I know or have satisfactory evidence that he/she signed this instrument, on oath stated that he/she was authorized to execute this instrument and acknowledged it as the Prepsident of The Souther Company, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.6

DATED this 4th day of December, 2017.



/s/ Heather Anne Ochoa  
NOTARY PUBLIC FOR ~~WASHINGTON~~ Oregon  
My Commission Expires: July 20, 2021

)  
) ss.  
)

I certify that. David Souther appeared personally before me and that I know or have satisfactory evidence that he/she signed this instrument, on oath stated that he/she was authorized to execute this instrument and acknowledged it to be the free and voluntary act of such person for the uses and purposes mentioned in this instrument.

DATED this 4th day of December, 2017.

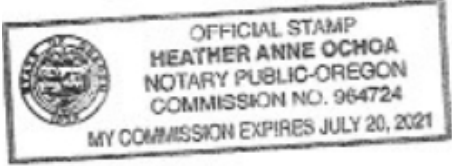


/s/ Heather Anne Ochoa  
NOTARY PUBLIC FOR ~~WASHINGTON~~ Oregon  
My Commission Expires: July 20, 2021

)  
) ss.  
)

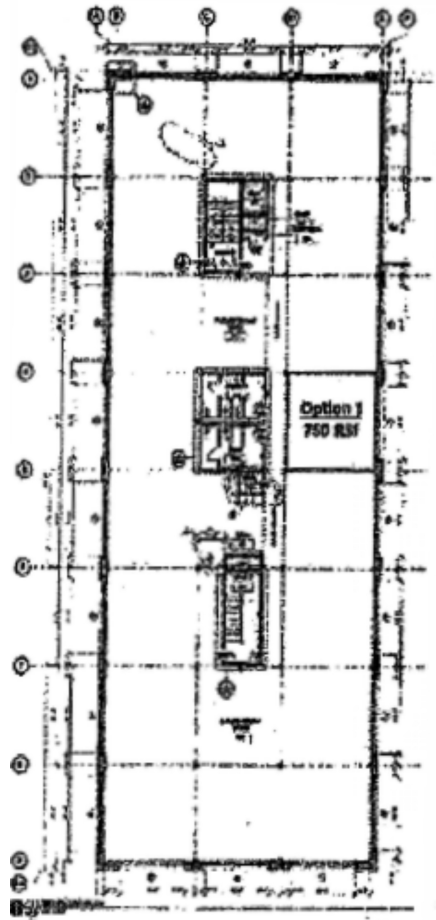
I certify that. David Souther appeared personally before me and that I know or have satisfactory evidence that he/she signed this instrument, on oath stated that he/she was authorized to execute this instrument and acknowledged it to be the free and voluntary act of such person for the uses and purposes mentioned in this instrument.

DATED this 4th day of December, 2017.



/s/ Heather Anne Ochoa  
NOTARY PUBLIC FOR ~~WASHINGTON~~ Oregon  
My Commission Expires: July 20, 2021

**EXHIBIT B-1**  
**Expansion Space**



### AMENDMENT NO. 3 OF LEASE

This Amendment No. 3 of Lease (this "Amendment") is made as of 7/31, 2018, between Broadway Investors II, LLC, a Washington limited liability company ("Landlord"), and AbSci, LLC, a Delaware limited liability company ("Tenant").

#### RECITALS

A. Landlord and Tenant entered into that certain Hudson Building Office Lease dated August 11, 2016, as amended by that certain Amendment No. 1 of Lease dated January 20, 2017, and that certain Amendment No. 2 of Lease dated November 27, 2017 (collectively, the "Lease"). Capitalized terms used in this Amendment shall have the meanings given to them in the Lease, except as provided in this Amendment.

B. Pursuant to the Lease, Landlord leases to Tenant that certain space containing approximately 7,248 rentable square feet in Suite 300 and Suite 320 of the building with an address of 101 E. Sixth Street, Vancouver, Washington 98660 ("Building"), and more particularly described in the Lease (the "Premises").

C. In connection with the Lease, The Souther Company, an Oregon corporation, David Souther, an individual, and John Souther, an individual (collectively, "Guarantors"), executed that certain Guaranty (the "Guaranty"). Landlord, Tenant, and Guarantors desire to, among other things, provided for the delivery by Tenant to Landlord of a Letter of Credit (as defined below) in exchange for a release of the Guarantors' liability under the Guaranty in accordance with the terms and conditions set forth in this Amendment.

#### AGREEMENT

In consideration of the mutual covenants and conditions contained herein and for other good and valuable consideration, Landlord and Tenant agree as follows:

##### 1. Amendment of Lease.

**A. Letter of Credit.** Concurrently with the execution of this Amendment, Tenant must deliver to Landlord an unconditional, irrevocable standby letter of credit ("Letter of Credit") which conforms in form and substance to the attached Schedule "1" (or is otherwise reasonably acceptable to Landlord) and which:

(a) is issued by a United States federal or state chartered bank ("Issuer") that: (i) is either a member of the New York Clearing House Association or is a commercial bank or trust company reasonably acceptable to Landlord, (ii) has total assets of at least \$10,000,000,000 as determined in accordance with generally accepted accounting principles consistently applied ("Total Assets"), or such lesser amount as accepted by Landlord in its sole discretion, and (iii) has a rating ("CAMELS Rating") of 2 or higher under the Uniform Financial Institutions Rating System ("UFIRS") adopted by the Federal Financial Institution Council ("FFIEC") and the Office of Banks and Real Estate, Bureau of Banks and Trust Companies ("Bureau");

(b) names Landlord as beneficiary thereunder;

(c) has a term ending not less than one (1) year after the date of issuance;

(d) automatically renews for one-year periods unless Issuer notifies beneficiary in writing, at least sixty (60) days prior to the expiration date, that Issuer elects not to renew the Letter of Credit;

(e) provides for payment to beneficiary of immediately available funds (denominated in United States dollars) in the amount of \$250,000.00 within three (3) banking days after presentation of the Sight Draft substantially conforming to the form attached as Exhibit "A" to the Letter of Credit;

(f) provides that draws may be presented, and are payable, at Issuer's letterhead office, or by facsimile or email to the addresses set forth on Issuer's letterhead, if any, or such other facsimile number or email address provided to beneficiary;

(g) is payable in sight drafts which only require the beneficiary to state that the draw is payable to the order of beneficiary;

(h) permits partial and multiple draws;

(i) permits multiple transfers by beneficiary;

(j) waives any rights Issuer may have, at law or otherwise, to subrogate to any claims beneficiary may have against applicant or applicant may have against beneficiary; and

(k) is governed by INTERNATIONAL STANDBY PRACTICES ISP98 (INTERNATIONAL CHAMBER OF COMMERCE, PUBLICATION NO. 590).

The Letter of Credit (as transferred, extended, renewed or replaced) must be maintained during the entire Lease Term, as extended or renewed, and for a period of sixty (60) days thereafter.

**B. Transfer; Fees.** Landlord may freely transfer the Letter of Credit in connection with an assignment of the Lease without: (i) Tenant's consent, (ii) restriction on the number of transfers or (iii) condition, other than presentment to Issuer of the original Letter of Credit and a duly executed transfer document conforming to the form attached as Exhibit "B" to the Letter of Credit. Tenant is solely responsible for any bank fees or charges imposed by Issuer in connection with the issuance of the Letter of Credit or any transfer, renewal, extension or replacement thereof. If Tenant fails to timely pay such transfer fee, Landlord may, at its option and without notice to Tenant, elect to pay any transfer fees to Issuer when due, and upon payment, such amount will become immediately due and payable from Tenant to Landlord as Additional Rent under the Lease.

**C. Definition of Draw Event.** "Draw Event" means the occurrence of any of the following events:

(a) Tenant fails to pay fully any item of Rent as and when due;

(b) Tenant: (i) breaches or fails to timely perform any of its other obligations under the Lease, (ii) the breach or failure continues for a period of ten (10) days without regard to any cure period granted under the Lease and without regard to whether such breach or failure is determined (upon occurrence or at any later time) to be an Event of Default and (iii) Tenant has either failed to commence cure of the breach or failure or, if cure has been commenced, is not diligently pursuing such cure;

(c) Tenant fails to timely cause the Letter of Credit to be renewed or replaced as required in Section 1.E. below;

(d) An Issuer Quality Event as described in Section 1.F. below;

(e) An Event of Default under Section 10 of the Lease; or

(f) Tenant holds over or remains in possession of the Premises after the expiration of the Term or termination of the Lease, without Landlord's prior written consent.

**D. Draw and Use of Draw Proceeds.** Immediately upon the occurrence of any one or more Draw Events, and at any time thereafter, Landlord may draw on the Letter of Credit, in whole or in part (if partial draw is made, Landlord may make multiple draws), as Landlord may determine in Landlord's sole and absolute discretion. The term "Draw Proceeds" means the cash proceeds of any draw or draws made by Landlord under the Letter of Credit. Any delays by Landlord in drawing on the Letter of Credit or using the Draw Proceeds will not constitute a waiver by Landlord of any of its rights hereunder with respect to the Letter of Credit or the Draw Proceeds. Landlord will hold the Draw Proceeds in its own name and may co-mingle the Draw Proceeds with other accounts of Landlord or invest them as Landlord may determine in its sole and absolute discretion. Issuer's failure to timely honor a draw request shall be an Event of Default under the Lease.

In addition to any other rights and remedies Landlord may have, Landlord may in its sole and absolute discretion and at any time, use and apply all or any portion of the Draw Proceeds to pay Landlord for any one or more of the following:

(a) Rent or any other sum which is past due, due or becomes due, or to which Landlord is otherwise entitled under the terms of the Lease, whether due to the passage of time, the existence of a default or otherwise (including, without limitation, late payment fees or charges and any amounts which Landlord is or would be allowed to collect under the Lease, and without deducting therefrom any offset for proceeds of any potential reletting or other potential mitigation which has not in fact occurred at the time of the draw);

(b) any and all amounts incurred or expended by Landlord in connection with the exercise and pursuit of any one or more of Landlord's rights or remedies under the Lease, including, without limitation, reasonable attorneys' fees and costs;

(c) any and all amounts incurred or expended by Landlord in obtaining the Draw Proceeds, including, without limitation, reasonable attorneys' fees and costs; or

(d) any and all other damage, injury, expense or liability caused to or incurred by Landlord as a result of any Event of Default, Draw Event or other breach, failure or default by Tenant under the Lease.

To the extent that Draw Proceeds exceed the amounts so applied, such excess Draw Proceeds will be deemed paid to Landlord to establish a credit on Landlord's books in the amount of such excess, which credit may be applied by Landlord thereafter (in Landlord's sole and absolute discretion), to any of Tenant's obligations to Landlord under the Lease as and when they become due. Following any use or application of the Draw Proceeds, Tenant, if requested by Landlord in writing, must, within ten (10) days after receipt of Landlord's request, cause a replacement Letter of Credit complying with Section 1.A. above to be issued and delivered to Landlord; provided, however, that the amount of the replacement Letter of Credit will be an amount equal to the original amount of the Letter of Credit (as set forth in Section 1.A. (e) above) less any unapplied Draw Proceeds on the date the replacement Letter of Credit is issued. Upon Landlord's receipt of the replacement Letter of Credit, Landlord will deliver the prior original Letter of Credit to Issuer for cancellation (if not theretofore fully drawn) and any unapplied Draw Proceeds will be applied in accordance with Sections 1.D.(a), (b), (c) and (d) above.

If it is determined or adjudicated by a court of competent jurisdiction, or any arbitration or other alternative dispute resolution proceeding, that Landlord was not entitled to draw on the Letter of Credit, Tenant may, as its sole and exclusive remedy, cause Landlord to: (i) deliver the prior original Letter of Credit to Issuer for cancellation (if not theretofore fully drawn), (ii) return to Issuer the amount of the Draw Proceeds which the court, or other dispute resolution authority, determines Landlord was not entitled to draw and (iii) reimburse Tenant for all out-of-pocket fees, costs and interest expenses actually incurred by Tenant as a direct result of Landlord's draw on the Letter of Credit (including without limitation the costs and expenses of providing a replacement Letter of Credit and any attorneys' fees and expenses); provided, however, Tenant may exercise its exclusive remedy only after Tenant has: (y) cured all defaults under the Lease, if any, and (z) caused a replacement Letter of Credit complying with Section 1.A. above to be issued and delivered to Landlord. Landlord will not be liable for any other actual damages or any indirect, consequential, special or punitive damages incurred by Tenant in connection with either a draw by Landlord on the Letter of Credit or the use or application by Landlord of the Draw Proceeds. Nothing in the Lease or in the Letter of Credit will confer upon Tenant any property rights or interest in any Draw Proceeds.

**E. Renewal and Replacement.** The Letter of Credit must provide that it will be automatically renewed unless Issuer provides written notice of nonrenewal to Landlord at least sixty (60) days prior to the expiration date of the Letter of Credit. If written notice of nonrenewal is received from Issuer, Tenant must renew the Letter of Credit or replace it with a new Letter of Credit, at least thirty (30) days prior to the stated expiration date of the then-current Letter of Credit. Any renewal or replacement Letter of Credit must meet the criteria set forth in Section 1.A. above, and must have a term commencing at least one day prior to the stated expiration date of the immediately prior Letter of Credit. Failure to provide a renewal or replacement Letter of Credit as provided above will, at Landlord's election, be an Event of Default under the Lease.

**F. Issuer Quality Event.** If an Issuer Quality Event occurs, Tenant, upon thirty (30) days advance written notice from Landlord, must, at its own cost and expense, provide Landlord with a replacement Letter of Credit meeting all of the requirements of Section 1.A. above. Failure to timely provide a replacement Letter of Credit shall, at Landlord's election, be an Event of Default under the Lease. The term "Issuer Quality Event" means the Issuer fails to meet criteria set forth in Section 1.A.(a) above.

**G. Additional Agreements of Tenant.** Tenant expressly acknowledges and agrees that:

(a) the Letter of Credit constitutes a separate and independent contract between Landlord and Issuer, and Tenant has no right to submit a draw to Issuer under the Letter of Credit;

(b) Tenant is not a third-party beneficiary of such contract, and Landlord's ability to either draw under the Letter of Credit for the full or any partial amount thereof or to apply Draw Proceeds may not, in any way, be conditioned, restricted, limited, altered, impaired or discharged by virtue of any Laws to the contrary, including, but not limited to, any Laws that restrict, limit, alter, impair, discharge or otherwise affect any liability that Tenant may have under the Lease or any claim that Landlord has or may have against Tenant;

(c) neither the Letter of Credit nor any Draw Proceeds will be or become the property of Tenant, and Tenant does not and will not have any property right or interest therein;

(d) Tenant is not entitled to any interest on any Draw Proceeds;

(e) neither the Letter of Credit nor any Draw Proceeds constitute an advance payment of Rent, security deposit or rental deposit;

(f) neither the Letter of Credit nor any Draw Proceeds constitute a measure of Landlord's damages resulting from any Draw Event, Event of Default or other breach, failure or default (past, present or future) under the Lease; and

(g) Tenant will cooperate with Landlord, at Tenant's own expense, in promptly executing and delivering to Landlord all modifications, amendments, renewals, extensions and replacements of the Letter of Credit, as Landlord may reasonably request.

**H. Restrictions on Tenant Actions.** Tenant hereby irrevocably waives any and all rights and claims that it may otherwise have at law or in equity, to contest, enjoin, interfere with, restrict or limit, in any way whatsoever, any requests or demands by Landlord to Issuer for a draw or payment to Landlord under the Letter of Credit. If Tenant, or any person or entity on Tenant's behalf or at Tenant's discretion, brings any proceeding or action to contest, enjoin, interfere with, restrict or limit, in any way whatsoever, any one or more draw requests or payments under the Letter of Credit, Tenant will be liable for any and all direct and indirect damages resulting therefrom or arising in connection therewith, including, without limitation, reasonable attorneys' fees and costs. Nothing contained in this Section 1.H. shall preclude Tenant from instituting legal proceedings against Landlord for damages in connection with a wrongful draw on the Letter of Credit by Landlord so long as such legal proceedings do not in any way contest, enjoin, interfere, restrict or limit Landlord's draw request under the Letter of Credit.

**I. Cancellation After End of Term.** Provided that no Draw Event, Event of Default, or other breach or default under the Lease then exists, Landlord will deliver the Letter of Credit to the Issuer for cancellation within sixty (60) days after Tenant surrenders the Premises to Landlord upon the expiration of the Term.

**2. Conditional Release of Guarantors.** Upon Tenant's deposit with Landlord of the Letter of Credit as required herein, Guarantors shall be deemed to be released from liability under the Guaranty, and Landlord shall send written notice to Guarantors of such release.

### **3. Tenant Representations**

Tenant represents and warrants that:

**A. Due Authorization.** Tenant has full power and authority to enter into this Amendment without the consent of any other person or entity;

**B. No Assignment.** Tenant has not assigned the Lease, or sublet the Premises;

**C. No Default.** Tenant is not in default of the Lease and Tenant acknowledges that Landlord is not in default of the Lease;

**D. Binding Effect.** The Lease is binding on Tenant and is in full force and effect, and Tenant has no defenses to the enforcement of the Lease; and

**E. Real Estate Brokers.** There is no real estate broker or agent who is or may be entitled to any commission or finder's fee in connection with the representation of Tenant in this Amendment and Tenant shall indemnify and hold Landlord harmless from and against any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and



expenses (including without limitation, attorneys' fees and costs) with respect to any leasing commission or equivalent compensation alleged to be owing on account of such Tenant's discussions, negotiations and/or dealings with any real estate broker or agent.

#### 4. General Provisions

**A. Attorneys' Fees.** If a suit or an action is instituted in connection with any dispute arising out of this Amendment or the Lease or to enforce any rights hereunder or thereunder, the prevailing party shall be entitled to recover such amount as the court may adjudge reasonable as attorneys' and paralegals' fees incurred in connection with the preparation for and the participation in any legal proceedings (including, without limitation, any arbitration proceedings or court proceedings, whether at trial or on any appeal or review), in addition to all other costs or damages allowed.

**B. Counterparts; Facsimile and Scanned Email Signatures.** This Amendment may be executed in counterparts and when each party has signed and delivered at least one such executed counterpart to the other party, then each such counterpart shall be deemed an original, and, when taken together with the other signed counterpart, shall constitute one agreement which shall be binding upon and effective as to all signatory parties. Facsimile and scanned e mail signatures shall operate as originals for all purposes under this Amendment.

**C. Effect of Amendment.** The Lease is unmodified except as expressly set forth in this Amendment. Except for the modifications to the Lease set forth in this Amendment, the Lease remains in full force and effect. To the extent any provision of the Lease conflicts with or is in any way inconsistent with this Amendment, the Lease is deemed to conform to the terms and provisions of this Amendment.

**D. Binding Effect.** The provisions of this Amendment shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. No amendment, modification or supplement to this Amendment shall be binding upon the parties unless in writing and executed by Landlord and Tenant.

**E. Integration.** This Amendment contains the entire agreement and understanding of the parties with respect to the matters described herein, and supersedes all prior and contemporaneous agreements between them with respect to such matters.

**F. Submission of Amendment.** The submission of this Amendment for examination and negotiation does not constitute an offer to execute this Amendment by Landlord. This Amendment shall become effective and binding only upon execution and delivery hereof by Landlord and Tenant. No act or omission of any officer, employee or agent of Landlord or Tenant shall alter, change or modify any of the provisions hereof.

*[Signatures on following pages.]*

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date first above written.

**LANDLORD:**

BROADWAY INVESTORS II, LLC,  
a Washington limited liability company

By:           /s/ Lance E. Killian          

Its:           Manager          

**TENANT:**

ABSCI, LLC,  
a Delaware limited liability company

By:           /s/ Sean McClain          

Its:           /s/ Sean McClain          

**Reaffirmation of Guaranty:**

By executing this Amendment in the space provided below, Guarantors reaffirm their respective obligations under the Guaranty, as modified by the provisions of this Amendment, provided that such Guaranty shall be deemed released upon Landlord's receipt of the Letter of Credit, as provided in this Amendment.

**GUARANTORS:**

The Souther Company,  
an Oregon corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

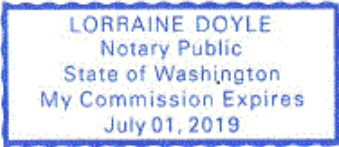
\_\_\_\_\_  
David Souther, an individual

\_\_\_\_\_  
John Souther, an individual

STATE OF WASHINGTON )  
 ) ss.  
County of Clark )

I certify that Lance E. Killian appeared personally before me and that I know or have satisfactory evidence that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Manager of Broadway Investors II, LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 31st day of July, 2018.

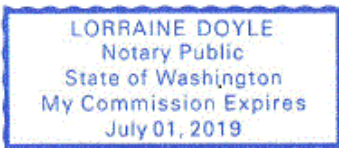


/s/ Lorraine Doyle  
NOTARY PUBLIC FOR WASHINGTON  
My Commission Expires: 7/01/2019

STATE OF WASHINGTON )  
 ) ss.  
County of Clark )

I certify that Sean McClain appeared personally before me and that I know or have satisfactory evidence that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Manager of Broadway Investors II, LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 27th day of November, 2018.



/s/ Lorraine Doyle  
NOTARY PUBLIC FOR WASHINGTON  
My Commission Expires: 7/01/2019

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date first above written.

**LANDLORD:**

BROADWAY INVESTORS II, LLC,  
a Washington limited liability company

By: \_\_\_\_\_

Its: \_\_\_\_\_

**TENANT:**

ABSCI, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

Its: \_\_\_\_\_

**Reaffirmation of Guaranty:**

By executing this Amendment in the space provided below, Guarantors reaffirm their respective obligations under the Guaranty, as modified by the provisions of this Amendment, provided that such Guaranty shall be deemed released upon Landlord's receipt of the Letter of Credit, as provided in this Amendment.

**GUARANTORS:**

The Souther Company,  
an Oregon corporation

By:  /s/ David W. Souther

Its:  President

/s/ David W. Souther  
David Souther, an individual

/s/ John B. Souther Jr.  
John Souther, an individual

STATE OF Oregon )  
 ) ss.  
County of Deschutes )

I certify that \_\_\_\_\_ appeared personally before me and that I know or have satisfactory evidence that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the \_\_\_\_\_ of The Souther Company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 1st day of August, 2018.

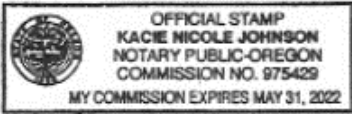


/s/ Heather Anne Ochoa  
NOTARY PUBLIC FOR OREGON  
My Commission Expires: May 31, 2022

STATE OF Oregon )  
 ) ss.  
County of Deschutes )

I certify that David Souther, an individual, appeared personally before me and that I know or have satisfactory evidence that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 1st day of August, 2018.

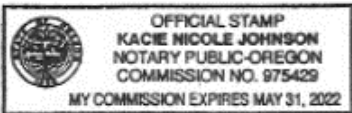


/s/ Heather Anne Ochoa  
NOTARY PUBLIC FOR OREGON  
My Commission Expires: May 31, 2022

STATE OF Oregon )  
 ) ss.  
County of Deschutes )

I certify that John Southern, an individual, appeared personally before me and that I know or have satisfactory evidence that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 1st day of August, 2018.



/s/ Heather Anne Ochoa  
NOTARY PUBLIC FOR OREGON  
My Commission Expires: May 31, 2022

**SCHEDULE 1**  
**Form of Letter of Credit**

IRREVOCABLE STANDBY LETTER OF CREDIT NO LC \_\_\_\_\_

DATE: JUNE XX, 2018

ISSUING BANK: WESTERN ALLIANCE BANK  
55 ALMADEN BOULEVARD, SUITE 100  
SAN JOSE, CA 95113

BENEFICIARY: BROADWAY INVESTORS II, LLC  
101 E. Sixth St., Suite 350  
Vancouver, Washington 98660

APPLICANT: ABSCI, LLC  
101 E 6TH ST SUITE 300  
VANCOUVER, WA 98660

AMOUNT: USD 250,000

EXPIRATION DATE: TBD

LOCATION: AT OUR COUNTER IN SAN JOSE, CALIFORNIA

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. LC \_\_\_\_\_ IN YOUR FAVOR (THE "BENEFICIARY"). THIS LETTER OF CREDIT IS AVAILABLE BY SIGHT PAYMENT WITH OURSELVES ONLY AGAINST PRESENTATION AT THIS OFFICE OF THE FOLLOWING DRAWING DOCUMENTS:

1. THE ORIGINAL OF THIS LETTER OF CREDIT AND ALL AMENDMENT(S), IF ANY.
2. YOUR SIGHT DRAFT DRAWN ON US IN THE FORM ATTACHED HERETO AS EXHIBIT "A".
3. BENEFICIARY'S DATED AND SIGNED STATEMENT STATING THE FOLLOWING:

"THE UNDERSIGNED IS ENTITLED TO DRAW UPON THIS CREDIT IN ACCORDANCE WITH THE TERMS OF THAT CERTAIN CONTRACT BY AND BETWEEN BROADWAY INVESTORS II, LLC AND ABSCI, LLC (AS THE SAME MAY BE MODIFIED, AMENDED OR ASSIGNED)."

PARTIAL DRAWING AND MULTIPLE PRESENTATIONS ARE ALLOWED.

THIS ORIGINAL LETTER OF CREDIT AND AMENDMENT(S) HERETO, IF ANY, MUST ACCOMPANY ANY DRAWINGS HEREUNDER FOR ENDORSEMENT OF THE DRAWING AMOUNT AND WILL BE RETURNED TO THE BENEFICIARY, PROVIDED; HOWEVER, THAT THE REMAINING AMOUNT AVAILABLE HEREUNDER SHALL BE REDUCED BY THE AMOUNT OF THE DRAWINGS.

DRAFT(S) AND DOCUMENTS MUST INDICATE THE NUMBER AND DATE OF THIS LETTER OF CREDIT.

PRESENTATION OF SUCH DRAWING DOCUMENTS MAY ALSO BE MADE BY FAX TRANSMISSION TO FAX NO. (408) 275-0362 OR SUCH OTHER FAX NUMBER IDENTIFIED BY

ISSUER IN A WRITTEN NOTICE TO YOU. TO THE EXTENT A PRESENTATION IS MADE BY FAX TRANSMISSION, YOU MUST (I) PROVIDE EMAIL NOTIFICATION THEREOF TO ISSUER AT LETTEROFCREDIT-DL@BRIDGEBANK.COM PRIOR TO OR SIMULTANEOUSLY WITH THE SENDING OF SUCH FAX TRANSMISSION AND (II) SEND THE ORIGINAL OF THE DRAWING DOCUMENTS TO ISSUER BY OVERNIGHT COURIER, AT THE SAME TIME TO THE ADDRESS PROVIDED BELOW FOR PRESENTATION OF DOCUMENTS.

IF THE DRAWING DOCUMENTS ARE PRESENTED HEREUNDER BY SIGHT OR FACSIMILE TRANSMISSION AS PERMITTED HEREUNDER, AND PROVIDED THAT SUCH DRAWING DOCUMENTS CONFORM TO THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, PAYMENT SHALL BE MADE TO YOU, OR TO YOUR DESIGNEE, OF THE AMOUNT SPECIFIED, IN IMMEDIATELY AVAILABLE

FUNDS ON THE THIRD BANKING DAY SUBJECT TO THE BANK'S RECEIPT OF THE ORIGINAL DRAWING DOCUMENTS. IF A DEMAND FOR PAYMENT MADE BY YOU HEREUNDER DOES NOT, IN ANY INSTANCE, CONFORM TO THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, WE SHALL GIVE YOU NOTICE WITHIN TWO (2) BANKING DAYS THAT THE DEMAND FOR PAYMENT WAS NOT EFFECTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, STATING THE REASONS THEREFORE AND THAT WE WILL UPON YOUR INSTRUCTIONS HOLD ANY DOCUMENTS AT YOUR DISPOSAL OR RETURN THE SAME TO YOU. UPON BEING NOTIFIED THAT THE DEMAND FOR PAYMENT WAS NOT EFFECTED IN CONFORMITY WITH THIS LETTER OF CREDIT, YOU MAY ATTEMPT TO CORRECT ANY SUCH NON-CONFORMING DEMAND FOR PAYMENT TO THE EXTENT THAT YOU ARE ENTITLED TO DO SO AND WITHIN THE VALIDITY OF THIS LETTER OF CREDIT.

THIS LETTER OF CREDIT IS TRANSFERABLE SUCCESSIVELY (ONE OR MORE TIMES, BUT IN EACH INSTANCE ONLY TO A SINGLE BENEFICIARY AS TRANSFEREE) IN ITS ENTIRETY ONLY UP TO THE THEN AVAILABLE AMOUNT IN FAVOR OF ANY NOMINATED TRANSFEREE THAT BENEFICIARY CERTIFIES IN THE TRANSFER REQUEST AS THE SUCCESSOR IN INTEREST TO BENEFICIARY ("TRANSFEREE"), ASSUMING SUCH TRANSFER TO SUCH TRANSFEREE WOULD BE IN COMPLIANCE WITH THEN APPLICABLE LAW AND REGULATIONS, INCLUDING BUT NOT LIMITED TO THE REGULATIONS OF THE U.S. DEPARTMENT OF TREASURY AND U.S. DEPARTMENT OF COMMERCE. AT THE TIME OF TRANSFER, THE ORIGINAL LETTER OF CREDIT AND ORIGINAL AMENDMENT(S), IF ANY, MUST BE SURRENDERED TO US TOGETHER WITH OUR LETTER OF CREDIT TRANSFER INSTRUCTIONS (IN THE FORM OF EXHIBIT "B" ATTACHED HERETO). PAYMENT OF OUR TRANSFER COMMISSION IN EFFECT AT THE TIME OF THE TRANSFER IS FOR ACCOUNT OF THE APPLICANT. THE CORRECTNESS OF THE SIGNATURE AND TITLE OF THE PERSON SIGNING THE TRANSFER FORM MUST BE VERIFIED BY BENEFICIARY'S BANK.

THE DATE THIS LETTER OF CREDIT FULLY AND FINALLY EXPIRES, [DATE TBD] IS THE "TERMINAL EXPIRY DATE", IF IT HAS NOT PREVIOUSLY EXPIRED IN ACCORDANCE WITH THE SUCCEEDING PARAGRAPH. NO PRESENTATIONS MADE UNDER THIS LETTER OF CREDIT AFTER THE TERMINAL EXPIRY DATE WILL BE HONORED.

THIS LETTER OF CREDIT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR A ONE YEAR PERIOD STARTING FROM THE PRESENT EXPIRATION DATE HEREOF, AND UPON EACH ANNIVERSARY OF SUCH DATE, UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO ANY SUCH EXPIRATION DATE WE HAVE SENT YOU A WRITTEN NOTICE BY COURIER SERVICE OR OVERNIGHT MAIL THAT WE ELECT NOT TO PERMIT THIS LETTER OF CREDIT TO BE SO EXTENDED BEYOND ITS THEN CURRENT EXPIRATION DATE. NO PRESENTATION MADE UNDER THIS LETTER OF CREDIT AFTER SUCH DATE WILL BE HONORED.

THIS LETTER OF CREDIT MAY ALSO BE CANCELLED PRIOR TO ANY PRESENT OR FUTURE EXPIRATION DATE, UPON RECEIPT BY WESTERN ALLIANCE BANK BY OVERNIGHT COURIER OR REGISTERED MAIL (RETURN RECEIPT REQUESTED) OF THE ORIGINAL LETTER OF CREDIT AND ALL AMENDMENT(S), IF ANY, FROM THE BENEFICIARY TOGETHER WITH A STATEMENT SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE BENEFICIARY ON COMPANY LETTERHEAD STATING THAT THE LETTER OF CREDIT IS NO LONGER REQUIRED AND IS BEING RETURNED FOR CANCELLATION.

DOCUMENTS MUST BE DELIVERED TO US DURING REGULAR BUSINESS HOURS OF A BANKING DAY OR FORWARDED TO US BY OVERNIGHT DELIVERY SERVICE TO: WESTERN ALLIANCE BANK, 55 ALMADEN BLVD., SUITE 100, SAN JOSE, CA 95113, U.S.A. ATTENTION: INTERNATIONAL BANKING DIVISION - STANDBY LETTER OF CREDIT NEGOTIATION DEPARTMENT (THE "BANK'S" OFFICE).

AS USED HEREIN, THE TERM "BANKING DAY" MEANS A DAY ON WHICH WE ARE OPEN AT OUR ABOVE ADDRESS IN SAN JOSE, CALIFORNIA TO CONDUCT OUR LETTER OF CREDIT BUSINESS. NOTWITHSTANDING ANY PROVISION TO THE CONTRARY IN THE ISP (AS HEREINAFTER DEFINED), IF THE EXPIRATION DATE OR THE TERMINAL EXPIRY DATE IS NOT A BANKING DAY THEN SUCH DATE SHALL BE AUTOMATICALLY EXTENDED TO THE NEXT SUCCEEDING DATE WHICH IS A BANKING DAY.

ALL BANKING CHARGES UNDER THIS LETTER OF CREDIT INCLUDING WIRE REMITTANCE FEE ARE FOR THE ACCOUNT OF THE APPLICANT.

ISSUING BANK HEREBY EXPRESSLY WAIVES ANY AND ALL RIGHTS OF SUBROGATION, REIMBURSEMENT, INDEMNITY, EXONERATION, CONTRIBUTION OF ANY OTHER CLAIM WHICH APPLICANT MAY NOW OR HEREAFTER HAVE AGAINST BENEFICIARY OR WHICH BENEFICIARY MAY NOW OR HEREAFTER HAVE AGAINST APPLICANT PURSUANT TO THE HUDSON BUILDING OFFICE LEASE AGREEMENT DATED AS OF AUGUST 11, 2016 (AS AMENDED FROM TIME TO TIME), BETWEEN APPLICANT AND BENEFICIARY AND THE LEASE DOCUMENTS RELATED THERETO OR OTHER PERSON DIRECTLY OR CONTINGENTLY LIABLE FOR SUCH CLAIMS.

WE HEREBY AGREE WITH YOU THAT THE DRAFTS DRAWN UNDER AND IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT SHALL BE DULY HONORED BY WESTERN ALLIANCE BANK.

EXCEPT AS FAR AS OTHERWISE EXPRESSLY STATED HEREIN, THIS LETTER OF CREDIT WILL BE (I) SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES ISP98 (INTERNATIONAL CHAMBER OF COMMERCE, PUBLICATION NO. 590) ("ISP") OR ANY SUBSEQUENT REVISIONS THEREOF; AND (II) SUBJECT TO AND IN FULL COMPLIANCE WITH THE THEN EXISTING SANCTIONS REGULATIONS OF THE OFFICE OF FOREIGN ASSETS CONTROL, UNITED STATES DEPARTMENT OF TREASURY.

WESTERN ALLIANCE BANK

---

EXECUTIVE VICE PRESIDENT



**EXHIBIT "A"**

SIGHT DRAFT/BILL OF EXCHANGE

Date: \_\_\_\_\_

REF NO. \_\_\_\_\_

AT SIGHT OF THIS BILL OF EXCHANGE

PAY TO THE ORDER OF \_\_\_\_\_ USS \_\_\_\_\_ US DOLLARS

“DRAWN UNDER WESTERN ALLIANCE BANK, SAN JOSE, CALIFORNIA, IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: \_\_\_\_\_, DATED: \_\_\_\_\_.”

TO: WESTERN ALLIANCE BANK  
INTERNATIONAL BANKING  
55 ALMADEN BLVD

BROADWAY INVESTORS II, LLC  
("BENEFICIARY")

**GUIDELINES TO PREPARE THE SIGHT DRAFT OR BILL OF EXCHANGE:**

- |                             |   |
|-----------------------------|---|
| 1. DATE                     | ISSUANCE DATE OF DRAFT OR BILL OF EXCHANGE. |
| 2. REF NO                   | YOUR REFERENCE NUMBER, IF ANY.              |
| 3. PAY TO THE ORDER OF:     | NAME OF BENEFICIARY                         |
| 4. USS                      | AMOUNT OF DRAWING IN NUMERIC FIGURES        |
| 5. US DOLLARS               | AMOUNT OF DRAWING - IN WORDS.               |
| 6. LETTER OF CREDIT NUMBER: | OUR STANDBY LETTER OF CREDIT NUMBER         |
| 7. DATED:                   | ISSUANCE DATE OF STANDBY LETTER OF CREDIT   |

NOTE: BENEFICIARY MUST ENDORSE THE BACK OF THE SIGHT DRAFT OR BILL OF EXCHANGE AS YOU WOULD ENDORSE A CHECK.

**EXHIBIT "B"**

**LETTER OF CREDIT TRANSFER INSTRUCTIONS**

TO: WESTERN ALLIANCE BANK  
55 ALMADEN BLVD  
SUITE 100  
SAN JOSE, CA 95113  
U.S.A.

ATTN: INTERNATIONAL BANKING  
(408) 556-8397

DATE: \_\_\_\_\_

RE: WESTERN ALLIANCE BANK IRREVOCABLE STANDBY LETTER OF CREDIT NO. \_\_\_\_\_ LETTER OF  
CREDIT DATED: \_\_\_\_\_

LADIES AND GENTLEMEN:

FOR VALUE RECEIVED, THE UNDERSIGNED BENEFICIARY ("BENEFICIARY") HEREBY IRREVOCABLY TRANSFERS TO:

\_\_\_\_\_  
(NAME OF TRANSFEREE)

\_\_\_\_\_  
(ADDRESS)

\_\_\_\_\_  
(CONTACT NAME)

\_\_\_\_\_  
(TELEPHONE NUMBER)

("TRANSFEREE") ALL RIGHTS OF BENEFICIARY UNDER THE ABOVE LETTER OF CREDIT ("LETTER OF CREDIT") AND TRANSFEREE SHALL HAVE SOLE RIGHTS AS BENEFICIARY THEREOF, INCLUDING WITHOUT LIMITATION SOLE RIGHTS RELATING TO ANY AMENDMENTS THERETO, WHETHER INCREASES OR EXTENSIONS OR OTHER AMENDMENTS AND WHETHER NOW EXISTING OR HEREAFTER MADE. IN CONNECTION WITH THE FOREGOING, BENEFICIARY HEREBY IRREVOCABLY AGREES AND INSTRUCTS YOU

- (A) THAT BENEFICIARY DOES NOT RETAIN ANY RIGHT TO REFUSE TO ALLOW YOU TO ADVISE TRANSFEREE OF ANY AMENDMENT TO THE LETTER OF CREDIT,
- (B) THAT ALL FUTURE AMENDMENTS TO THE LETTER OF CREDIT ARE TO BE ADVISED DIRECTLY TO TRANSFEREE WITHOUT NECESSITY OF ANY CONSENT OF OR NOTICE TO BENEFICIARY, AND
- (C) THAT THERE WILL BE NO SUBSTITUTION OF BENEFICIARY'S DRAFT(S) AND/OR OTHER DOCUMENTS FOR THOSE PRESENTED TO YOU BY TRANSFEREE.

WE ENCLOSE HERewith THE ORIGINAL LETTER OF CREDIT (AND ALL ORIGINAL AMENDMENTS THERETO DATED ON OR PRIOR TO THE DATE OF THESE TRANSFER

INSTRUCTIONS) AND, TOGETHER WITH TRANSFEREE, REQUEST THAT YOU TRANSFER THE LETTER OF CREDIT TO TRANSFEREE BY REISSUING THE LETTER OF CREDIT IN FAVOR OF THE TRANSFEREE WITH PROVISIONS CONSISTENT WITH THE LETTER OF CREDIT. BENEFICIARY AND TRANSFEREE AGREE THAT ANY CHARGES ASSESSED BY YOU IN RELATION TO THIS TRANSFER SHALL BE PAID BY APPLICANT, UNLESS OTHERWISE PROVIDED IN THE LETTER OF CREDIT, AND THAT THIS TRANSFER SHALL NOT BE EFFECTIVE UNLESS AND UNTIL YOU RECEIVE SUCH PAYMENT.

WE WARRANT THAT THE TRANSACTION INVOLVED IS NOT IN VIOLATION OF ANY U.S. FOREIGN ASSETS CONTROL REGULATIONS.

THIS TRANSFER SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAWS OF THE STATE OF ARIZONA WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES, ANY DISPUTES WITH RESPECT TO OR ARISING RELATED THERETO SHALL BE SUBJECT TO THE JURISDICTION OF THE COURTS OF THE STATE TO WHICH JURISDICTION THE PARTIES HEREBY SUBMIT.]

VERY TRULY YOURS,

\_\_\_\_\_  
(NAME OF BENEFICIARY)

\_\_\_\_\_  
(AUTHORIZED SIGNATURE)

ACKNOWLEDGED AND ACCEPTED THIS

\_\_\_\_\_ DAY OF \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
(NAME OF TRANSFEREE)

\_\_\_\_\_  
(AUTHORIZED SIGNATURE)

SIGNATURE AUTHENTICATED
The name(s), title(s), and signature(s) conform to that/those on file with us for the company and the signature(s) is/are authorized to execute this instrument.
_____ (Name of Beneficiary s Bank)
_____ (Address of Bank)
_____ (City, State, ZIP Code)
_____ (Authorized Name and Title)
_____ (Authorized Signature)
_____ (Telephone number)

## AMENDMENT NO. 4 OF LEASE

This Amendment No. 4 of Lease (this "Amendment") is made as of February, 1 2019, between Broadway Investors II, LLC, a Washington limited liability company ("Landlord"), and AbSci, LLC, a Delaware limited liability company ("Tenant").

### RECITALS

A. Landlord and Tenant entered into that certain Hudson Building Office Lease dated August 11, 2016 (the "Original Lease"), as amended by that certain Amendment No. 1 of Lease dated January 20, 2017 (the "First Amendment"), that certain Amendment No. 2 of Lease dated November 27, 2017 (the "Second Amendment"), and that certain Amendment No. 3 of Lease dated July 31, 2018 (the "Third Amendment"). The Original Lease, First Amendment, Second Amendment, and Third Amendment are collectively referred to herein as the "Lease." Pursuant to the Lease, Landlord leases to Tenant that certain space containing approximately 7,248 rentable square feet (the "Premises") in Suite 300 and Suite 320 of the building with an address of 101 E. Sixth Street, Vancouver, Washington 98660 (the "Building"), all as more particularly described in the Lease. Capitalized terms used in this Amendment shall have the meanings given to them in the Lease, except as provided in this Amendment.

B. Landlord and Tenant desire to, among other things, extend the term of the Lease in accordance with the terms and conditions set forth in this Amendment.

### AGREEMENT

In consideration of the mutual covenants and conditions contained herein and for other good and valuable consideration, Landlord and Tenant agree as follows:

1. **Amendment of Lease.**

A. Extension of Lease Term. The Term of the Lease shall be extended (the "Extension Term") commencing December 11, 2021 (the "Extension Term Commencement Date") and expiring June 30, 2024.

B. Condition of the Premises. Tenant accepts the Premises in its "as-is" condition and Landlord shall have no obligation to make any improvements to the Premises or contribute any allowance therefor, except as specifically set forth herein. Tenant shall continue to have the right to the Additional Financed Allowance (as defined in the Second Amendment) pursuant to the applicable provisions of the Second Amendment; provided, Tenant shall have no right to any portion of the Additional Financed Allowance that it does not use as required in the Second Amendment by November 30, 2019, and Landlord shall have no obligation to disburse such unused portion.

C. Base Rent. As of the Extension Term Commencement Date and continuing throughout the Extension Term, Tenant shall pay to Landlord Base Rent in accordance with the following table:

<b>Suite 300</b>			
<b>Period</b>	<b>Annual Base Per RSF</b>	<b>Annual Base Rent</b>	<b>Monthly Base Rent</b>
12/11/21 - 12/31/21	\$29.71	\$193,144.71	\$16,095.39
1/1/22 - 12/31/22	\$30.60	\$198,939.05	\$16,578.25
1/1/23 - 12/31/23	\$31.52	\$204,907.22	\$17,075.60
1/1/24 - 6/30/24	\$32.46	\$211,054.44	\$17,587.87

<b>Suite 320</b>			
<b>Period</b>	<b>Annual Base Per RSF</b>	<b>Annual Base Rent</b>	<b>Monthly Base Rent</b>
12/11/21 - 9/30/22	\$33.77	\$25,226.19	\$2,102.18
10/1/22 - 9/20/23	\$34.78	\$25,982.98	\$2,165.25
10/1/23 - 6/30/24	\$35.83	\$26,762.46	\$2,230.21

D. Option to Extend. Landlord hereby grants Tenant the right to extend the Term of the Lease (the "Option to Extend") for one (1) additional period of five (5) years (the "Extension Term 2") on the same terms and conditions contained in the Lease, as amended hereby, except that (i) Base Rent for the Extension Term 2 shall be as set forth below, (ii) no additional Option to Extend shall apply following the expiration of the Extension Term 2, and (iii) Landlord shall have no obligation to make any improvements to the Premises or contribute any amounts therefor to prepare the same for Tenant's occupancy during the Extension Term 2. Written notice of Tenant's exercise of the Option to Extend must be given to Landlord no less than twelve (12) months prior to the date the Extension Term would otherwise expire. If Tenant is in default under the Lease, Tenant shall have no Option to Extend until such default is cured within the cure period set forth in the Lease for such default, if any; provided, that the period of time within which said Option to Extend may be exercised shall not be extended or enlarged by reason of Tenant's inability to exercise said Option to Extend because of a default. For the avoidance of doubt, it is agreed and understood that Tenant may exercise the Option to Extend with respect to the entire Premises only, including all of Suites 300 and 320. In the event Tenant validly exercises its Option to Extend as herein provided, Base Rent for the Extension Term 2 shall be as set forth in the tables below.

<b>Suite 300</b>			
<b>Period</b>	<b>Annual Base Per RSF</b>	<b>Annual Base Rent</b>	<b>Monthly Base Rent</b>
7/1/24 - 12/31/24	\$32.46	\$211,054.44	\$17,587.87
1/1/25 - 12/31/25	\$33.44	\$217,386.07	\$18,115.51
1/1/26 - 12/31/26	\$34.44	\$223,907.65	\$18,658.97
1/1/27 - 12/31/27	\$35.48	\$230,624.88	\$19,218.74
1/1/28 - 12/31/28	\$36.54	\$237,543.63	\$19,795.30
1/1/29 - 6/30/29	\$37.64	\$244,669.94	\$20,389.16

Suite 320			
Period	Annual Base Per RSF	Annual Base Rent	Monthly Base Rent
7/1/24 - 9/30/24	\$35.83	\$26,762.46	\$2,230.21
10/1/24 - 9/30/25	\$36.90	\$27,565.34	\$2,297.11
10/1/25 - 9/30/26	\$38.01	\$28,392.30	\$2,366.02
10/1/26 - 9/30/27	\$39.15	\$29,244.07	\$2,437.01
10/1/27 - 9/30/28	\$40.32	\$30,121.39	\$2,510.12
10/1/28 - 6/30/29	\$41.53	\$31,025.03	\$2,585.42

E. **Right of First Offer.** If at any time during the term of the Lease before July 1, 2027, space in Suite 330 of the Building consisting of approximately 747 rentable feet (as shown on Exhibit A) is available for lease or is about to become available for lease (such space shall not be deemed available for lease if it is subject to any currently existing options (i.e., existing as of the time of this Amendment of existing tenants of the Building) and so long as Tenant is not in default of the Lease, Landlord shall notify Tenant of the availability of such space and the terms, upon which Landlord is willing to lease such space to Tenant (which terms shall be substantially consistent with the terms of the Lease, provided the Base Rent payable with respect to such space shall be the same as that set forth in the tables above applicable to Suite 320 (including the rate and the schedule)). Tenant shall have ten (10) business days to accept Landlord's offer. If Tenant fails to accept Landlord's offer within such ten (10) business day period, Landlord shall thereafter be free to lease such space any time during the term of this Lease free and clear of any rights of Tenant. The right of first offer contained herein shall be a one-time only right, not apply to any renewal or extension of an existing lease (even if such lease does not contain an automatic extension right) and shall be personal to the entity executing this Amendment as Tenant, and is not transferable to any other assignee or subtenant under the Lease.

F. **Option Rights.** Except for options expressly set forth in this Amendment, all options granted to Tenant and contained in the Lease, if any, including, without limitation, any right to extend the term or expand the Premises, are hereby deleted and are of no force or effect.

2. **Tenant Representations.** Tenant represents and warrants that:

- A. **Due Authorization.** Tenant has full power and authority to enter into this Amendment without the consent of any other person or entity;
- B. **No Assignment.** Tenant has not assigned the Lease, or sublet the Premises;
- C. **No Default.** Tenant is not in default of the Lease and Tenant acknowledges that Landlord is not in default of the Lease;
- D. **Binding Effect.** The Lease is binding on Tenant and is in full force and effect, and Tenant has no defenses to the enforcement of the Lease; and
- E. **Real Estate Brokers.** There is no real estate broker or agent who is or may be entitled to any commission or finder's fee in connection with the representation of Tenant in this Amendment and Tenant shall indemnify and hold Landlord harmless from and against any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and

expenses (including without limitation, attorneys' fees and costs) with respect to any leasing commission or equivalent compensation alleged to be owing on account of such Tenant's discussions, negotiations and/or dealings with any real estate broker or agent.

3. **General Provisions**

A. **Attorneys' Fees.** If a suit or an action is instituted in connection with any dispute arising out of this Amendment or the Lease or to enforce any rights hereunder or thereunder, the prevailing party shall be entitled to recover such amount as the court may adjudge reasonable as attorneys' and paralegals' fees incurred in connection with the preparation for and the participation in any legal proceedings (including, without limitation, any arbitration proceedings or court proceedings, whether at trial or on any appeal or review), in addition to all other costs or damages allowed.

B. **Counterparts; Facsimile and Scanned Email Signatures.** This Amendment may be executed in counterparts and when each party has signed and delivered at least one such executed counterpart to the other party, then each such counterpart shall be deemed an original, and, when taken together with the other signed counterpart, shall constitute one agreement which shall be binding upon and effective as to all signatory parties. Facsimile and scanned e-mail signatures shall operate as originals for all purposes under this Amendment.

C. **Effect of Amendment.** The Lease is unmodified except as expressly set forth in this Amendment. Except for the modifications to the Lease set forth in this Amendment, the Lease remains in full force and effect. To the extent any provision of the Lease conflicts with or is in any way inconsistent with this Amendment, the Lease is deemed to conform to the terms and provisions of this Amendment.

D. **Binding Effect.** The provisions of this Amendment shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. No amendment, modification or supplement to this Amendment shall be binding upon the parties unless in writing and executed by Landlord and Tenant.

E. **Integration.** This Amendment contains the entire agreement and understanding of the parties with respect to the matters described herein, and supersedes all prior and contemporaneous agreements between them with respect to such matters.

F. **Submission of Amendment.** The submission of this Amendment for examination and negotiation does not constitute an offer to execute this Amendment by Landlord. This Amendment shall become effective and binding only upon execution and delivery hereof by Landlord and Tenant. No act or omission of any officer, employee or agent of Landlord or Tenant shall alter, change or modify any of the provisions hereof.

*[Signatures on following page.]*





STATE OF WASHINGTON

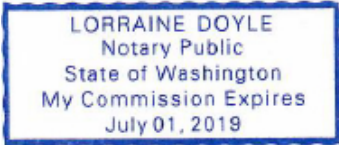
) ss.

County of Clark

)

I certify that Adam N. Tyler appeared personally before me and that I know or have satisfactory evidence that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Vice President of Broadway Investors II, LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 1st day of February, 2018.9



/s/ Lorraine Doyle

NOTARY PUBLIC FOR WASHINGTON

My Commission Expires:

7/01/2019

STATE OF Washington

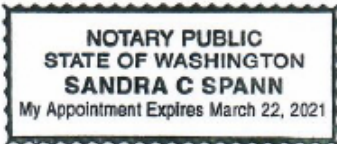
) ss.

County of Clark

)

I certify that Sean McClain appeared personally before me and that I know or have satisfactory evidence that he/she signed this instrument, on oath stated that he/she was authorized to execute this instrument and acknowledged it as the CEO of AbSci, LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED this 18th day of January, 2018.9



/s/ Sandra C. Spann

NOTARY PUBLIC FOR WASHINGTON

My Commission Expires:

March 22, 2021

**EXHIBIT A  
ROFO SPACE**

## AMENDMENT NO. 5 OF LEASE

This Amendment No. 5 of Lease (this "Amendment") is made as of July 1, 2019, between Broadway Investors II, LLC, a Washington limited liability company ("Landlord"), and AbSci, LLC, a Delaware limited liability company ("Tenant").

### RECITALS

A. Landlord and Tenant entered into that certain Hudson Building Office Lease dated August 11, 2016 (the "Original Lease"), as amended by that certain Amendment No. 1 of Lease dated January 20, 2017 (the "First Amendment"), that certain Amendment No. 2 of Lease dated November 27, 2017 (the "Second Amendment"), that certain Amendment No. 3 of Lease dated July 31, 2018 (the "Third Amendment"), and that certain Amendment No. 4 of Lease dated February 1, 2019 (the "Fourth Amendment"). The Original Lease, First Amendment, Second Amendment, Third Amendment, and Fourth Amendment are collectively referred to herein as the "Lease." Pursuant to the Lease, Landlord leases to Tenant that certain space containing approximately 7,248 rentable square feet (the "Premises") in Suite 300 and Suite 320 of the building with an address of 101 E. Sixth Street, Vancouver, Washington 98660 (the "Building"), all as more particularly described in the Lease. Capitalized terms used in this Amendment shall have the meanings given to them in the Lease, except as provided in this Amendment.

B. Landlord and Tenant desire to, among other things, extend the term of the Lease in accordance with the terms and conditions set forth in this Amendment.

### AGREEMENT

In consideration of the mutual covenants and conditions contained herein and for other good and valuable consideration, Landlord and Tenant agree as follows:

1. **Amendment of Lease.**

A. **Extension of Lease Term.** Section 1(A) of the Fourth Amendment is hereby deleted and replaced with the following:

The Term of the Lease shall be extended (the "Extension Term") commencing December 11, 2021 (the "Extension Term Commencement Date") and expiring August 31, 2024.

B. **Rent Tables.** References to "6/30/24" in the rent tables set forth in Section 1(C) of the Fourth Amendment are hereby deleted and replaced with "8/31/24". Further, references to "6/30/29" in the rent tables as set forth in Section 1(D) of the Fourth Amendment are hereby deleted and replaced with "8/31/29".

2. **ROFO Space.** For clarity's sake, the parties agree that Exhibit A attached hereto depicts the space subject to Tenant's Right of First Offer as set forth in Section 1(E) of the Fourth Amendment.

3. **Tenant Representations.** Tenant represents and warrants that:

A. **Due Authorization.** Tenant has full power and authority to enter into this Amendment without the consent of any other person or entity;

B. **No Assignment.** Tenant has not assigned the Lease, or sublet the Premises;

C. **No Default.** Tenant is not in default of the Lease and Tenant acknowledges that Landlord is not in default of the Lease;

D. Binding Effect. The Lease is binding on Tenant and is in full force and effect, and Tenant has no defenses to the enforcement of the Lease; and

E. Real Estate Brokers. There is no real estate broker or agent who is or may be entitled to any commission or finder's fee in connection with the representation of Tenant in this Amendment and Tenant shall indemnify and hold Landlord harmless from and against any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation, attorneys' fees and costs) with respect to any leasing commission or equivalent compensation alleged to be owing on account of such Tenant's discussions, negotiations and/or dealings with any real estate broker or agent.

#### 4. General Provisions

A. Attorneys' Fees. If a suit or an action is instituted in connection with any dispute arising out of this Amendment or the Lease or to enforce any rights hereunder or thereunder, the prevailing party shall be entitled to recover such amount as the court may adjudge reasonable as attorneys' and paralegals' fees incurred in connection with the preparation for and the participation in any legal proceedings (including, without limitation, any arbitration proceedings or court proceedings, whether at trial or on any appeal or review), in addition to all other costs or damages allowed.

B. Counterparts; Facsimile and Scanned Email Signatures. This Amendment may be executed in counterparts and when each party has signed and delivered at least one such executed counterpart to the other party, then each such counterpart shall be deemed an original, and, when taken together with the other signed counterpart, shall constitute one agreement which shall be binding upon and effective as to all signatory parties. Facsimile and scanned e-mail signatures shall operate as originals for all purposes under this Amendment.

C. Effect of Amendment. The Lease is unmodified except as expressly set forth in this Amendment. Except for the modifications to the Lease set forth in this Amendment, the Lease remains in full force and effect. To the extent any provision of the Lease conflicts with or is in any way inconsistent with this Amendment, the Lease is deemed to conform to the terms and provisions of this Amendment.

D. Binding Effect. The provisions of this Amendment shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. No amendment, modification or supplement to this Amendment shall be binding upon the parties unless in writing and executed by Landlord and Tenant.

E. Integration. This Amendment contains the entire agreement and understanding of the parties with respect to the matters described herein, and supersedes all prior and contemporaneous agreements between them with respect to such matters.

F. Submission of Amendment. The submission of this Amendment for examination and negotiation does not constitute an offer to execute this Amendment by Landlord. This Amendment shall become effective and binding only upon execution and delivery hereof by Landlord and Tenant. No act or omission of any officer, employee or agent of Landlord or Tenant shall alter, change or modify any of the provisions hereof.

*[Signatures on following page.]*

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date first above written.

**LANDLORD:**

BROADWAY INVESTORS II, LLC,  
a Washington limited liability company

By: /s/ Adam N. Tyler

Name: Adam N. Tyler

Title President

**TENANT:**

ABSCI, LLC,  
a Delaware limited liability company

By: /s/ Sean McClain

Name: Sean McClain

Title CEO

)  
) ss.  
County of Clark

I certify that Adam Tyler appeared personally before me and that I know or have satisfactory evidence that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of Broadway Investors II, LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.



/s/ Shannon E. Donnelly  
NOTARY PUBLIC FOR WASHINGTON  
My Commission Expires: 2/18/2023

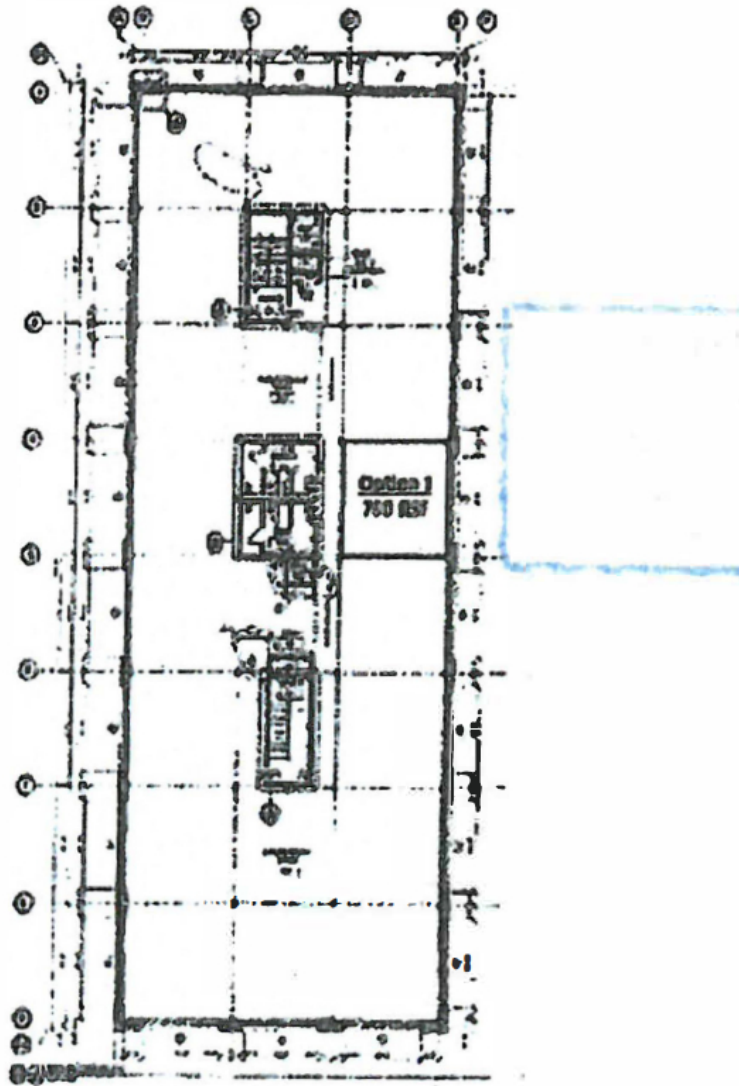
WASHINGTON )  
) ss. \_\_\_\_\_  
County of Clark )  
\_\_\_\_\_

I certify that Sean McClain appeared personally before me and that I know or have satisfactory evidence that he/she signed this instrument, on oath stated that he/she was authorized to execute this instrument and acknowledged it as the CEO of AbSci, LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.



/s/ Shannon E. Donnelly  
NOTARY PUBLIC FOR WASHINGTON  
My Commission Expires: 2/18/2023

EXHIBIT A  
ROFO SPACE



**MEMORANDUM OF LEASE**

This Memorandum of Lease is made as of January 27, 2017, by **BROADWAY INVESTORS II, LLC** ("Landlord") and **ABSCI, LLC A DELAWARE LIMITED LIABILITY COMPANY**. ("Tenant"), who agrees as follows:

1. Landlord and Tenant entered a lease dated August 11, 2016 in which Landlord leased to Tenant and Tenant leased from Landlord the premises with an address of 101 E. 6th St Vancouver WA 98660 that is described in Section E of said Lease ("Premises"). Landlord and Tenant executed that certain Lease dated August 11, 2016, (original Lease) as amended by First Amendment dated January 20, 2017. The original Lease and First Amendment are collectively referred to herein as the Lease. All capitalized terms herein are as defined in the Lease.
2. Pursuant to the Lease, Landlord and Tenant agree to and do hereby confirm that December 11, 2016 is the Commencement Date of the Term of the Lease for the Premises and December 10, 2021 is the Lease Expiration Date.
3. In accordance with Section F of the office lease, Tenant's proportionate share, the premises have been re-measured and has been determined to consist of approximately 6,501 rentable square feet of space.
4. Section 1. Base Rent of the Lease shall be deleted in its entirety and shall be replaced with the following:

Period	Annual Rate PSF	Annual Base Rent	Monthly Base Rent
12/11/16-12/31/16	\$26.40	\$151,826.40*	\$8,570.85*
01/01/17-12/31/17	\$26.40	\$151,826.40*	\$12,652.20*
01/01/18-12/31/18	\$27.19	\$176,775.19	\$14,731.27
01/01/19-12/31/19	\$28.01	\$182,078.45	\$15,173.20
01/01/20-12/31/20	\$28.85	\$187,540.80	\$15,628.40
01/01/21-11/30/21	\$29.71	\$193,167.03	\$16,097.25
12/01/20-12/10/21	\$29.71	\$193,167.03	\$5,192.66

\* As reflected above, Tenant shall not be obligated to pay Base Rent with respect to seven hundred fifty (750) rentable square feet of the premises for the first twelve (12) full months after the rent commencement date ("The Reduced Rent Period").

5. Section F, office lease, Tenant's Proportionate Share shall be revised to 14.9% (6501/43,572). Subsequently Tenant's Additional Rent effective as of the Rent Commencement Date shall \$3,792.25 per month.
6. Section 1, Section B., of the Amendment No. 1, Improvement Allowance: Paragraph six (6) of Inhibit "C" to the Lease is hereby revised such that Landlord shall provide an Improvement Allowance in the total amount of Three-Hundred Fifty-Two Thousand 00/100 Dollars (\$352,000.00) to be used for the cost of Tenant's work. For the avoidance of doubt, the amount set forth herein is the only improvement allowance Landlord shall be obligated to provide, and is not in addition to any sums set forth in the Lease or any exhibit thereto.
7. Tenant confirms that:
  - a) It has accepted possession of the Premises as provided in the Lease;
  - b) The improvements required to be furnished by Landlord under the Lease to obtain legal occupancy have been furnished.
  - c) Landlord has fulfilled all its duties of an inducement nature with respect to the Premises;
  - d) The Lease is in full force and effect and has not been modified, altered, or amended; other than re-measured Square footage in accordance with Section F of the office lease,
  - e) There are no setoffs or credits against rent, and no security deposit or prepaid rent has been paid except as provided by the Lease
8. The provisions of this Memorandum of Lease shall inure to the benefit, or bind, as the case may require the parties and their respective successors and assigns, subject to the restrictions on assignment and subleasing contained in the Lease.



**LANDLORD**

**BROADWAY INVESTORS II, LLC, a Washington  
Limited liability company**

**By: BEDROCK PACIFIC LLC**

**By: /s/ Lance Killian**  
\_\_\_\_\_  
Lance Killian

**Its: Managing Director**

**TENANT**

**ABSI, LLC,  
a Delaware limited liability company**

**By: /s/ Sean McClain**  
\_\_\_\_\_

**Its: Sean McClain**  
\_\_\_\_\_  
CEO

## SUBLEASE AGREEMENT

Effective Date: February 1, 2019

Sublessor: Killian Pacific LLC, a Washington limited liability company

Subtenant: AbSci, LLC, a Delaware limited liability company

Sublessor and Broadway Investors II, LLC, a Washington limited liability company ("Landlord"), are parties to that certain Hudson Building Office Lease dated August 11, 2016, as the same may be amended from time to time (as amended, the "Master Lease"), under which Landlord leased to Sublessor the space consisting of approximately 7,301 rentable square feet in Suite 350 (the "Premises"), as depicted on Exhibit A-1, in the building with address of 101 E. Sixth Street, Vancouver, Washington 98660 (the "Building"), on the land described in Exhibit A-2, attached hereto. Subtenant wishes to sublease the entire Premises from Sublessor pursuant to the terms of this Sublease Agreement. Landlord and Subtenant are party to that certain Hudson Building Office Lease dated August 11, 2016, as amended from time to time (collectively, the "AbSci Direct Lease").

### AGREEMENT

In consideration of the warranties, covenants, terms and conditions set forth below, the parties agree as follows:

1. Sublease. Sublessor hereby subleases the entire Premises to Subtenant upon the terms and conditions set forth in this Sublease Agreement. Possession of the Premises shall be delivered to Subtenant in its "as is" condition by Sublessor. Notwithstanding anything to the contrary contained in this Sublease Agreement or the Master Lease, Subtenant shall be required to surrender the Premises at the end of the term of this Sublease Agreement in good condition and repair, in the condition in which it was delivered to Subtenant, reasonable wear and tear excepted; provided, however, Subtenant shall not have any obligation to make any repairs to any portion of the Premises that was out of repair on the date the Premises will be delivered to Subtenant. As an inducement to enter into this Sublease Agreement, provided Subtenant is not in default under this Sublease Agreement, Sublessor shall provide Subtenant with an "Improvement Allowance" in the total amount of Forty Thousand and 00/100 Dollars (\$40,000.00) to be used towards the construction costs associated with Subtenant's improvements in the Premises ("Subtenant's Work"), which Subtenant's Work shall be performed in accordance with plans and specifications mutually approved by Sublessor and Subtenant, and shall otherwise be subject to the applicable alterations provisions of this Sublease Agreement and the Master Lease. The Improvement Allowance shall be paid directly to Subtenant within thirty (30) days after (a) Sublessor has received a detailed breakdown of the cost of the Subtenant's Work, (b) Sublessor has received an affidavit from Subtenant's contractor stating that all contractors, subcontractors, materialmen, suppliers, architects, engineers, and all other persons performing work or supplying materials and/or services in connection with Subtenant's Work have been paid in full and have waived all liens and claims arising as a result of such work, (c) Sublessor has received notarized original final unconditional lien waivers for all contractors, subcontractors, materialmen, suppliers and all other persons performing work or supplying materials in connection with Subtenant's Work, (d) if applicable, the presentation by Subtenant to Sublessor of a certificate of occupancy issued by the appropriate governmental authority indicating that Subtenant's construction work was performed in accordance with local and state codes, which work must be completed in accordance with the plans approved by Sublessor, (e) Subtenant shall not be in arrears with regard to any rent or other charges which may be due or owing or otherwise in default of this Sublease Agreement or the AbSci Direct Lease, and (f) Subtenant shall have commenced paying Base Rent with respect to the Premises. Notwithstanding anything in the Sublease Agreement to the contrary, if the Sublease Agreement is terminated prior to the Expiration Date (as defined below), Subtenant shall pay to Sublessor a sum equal to the unamortized portion of the Improvement Allowance, calculated on a straight-line basis over the initial term of this Sublease Agreement and including an eight percent (8.00%) per annum interest rate. Any portion of the Improvement Allowance not applied for by Subtenant within nine (9) months of the Commencement Date shall accrue to the sole benefit of Sublessor, it being understood that Subtenant shall not be entitled to any credit, abatement or other concession in connection therewith.

2. Sublease Subject to Terms of Lease. This Sublease Agreement is subject to each and every term and condition of the Master Lease other than the payment of rent and operating expenses which Subtenant shall pay directly to Sublessor as provided herein, which Master Lease provisions are by reference incorporated into this Sublease Agreement; provided, however, to the extent any provision of the Master Lease conflicts with or is in any way inconsistent with this Sublease Agreement, the provisions of this Sublease Agreement shall control. Notwithstanding anything herein or in the Master Lease to the contrary, Subtenant shall have no option to extend the term of this Sublease nor any right to terminate this Sublease on a date prior to the Expiration Date. Subject to the limitations in the immediately preceding sentence, commencing as of the Commencement Date, Subtenant shall comply with all of the provisions of the Master Lease as if Subtenant were the Tenant thereunder, including, without limitation, the indemnity provisions. Subtenant shall maintain all policies of insurance required by Tenant to be maintained under the Master Lease. Subtenant shall include Sublessor, Landlord, and Landlord's property manager as an additional insureds on all policies of insurance required by this Sublease Agreement and Master Lease, and provide Sublessor with a documentary proof thereof as required by the Master Lease.

3. Performance of Tenant's Obligations. In consideration of this Sublease Agreement, Subtenant shall fully perform each and every obligation of Sublessor with respect to the Premises arising under or in connection with the Master Lease (except to the extent expressly set forth in Section 2 above). Subtenant shall be responsible for all costs associated with adding Subtenant to the directory of the building and at the entry to the Premises.

Any of the following shall constitute an "Event of Default" by Subtenant under this Sublease Agreement (time of performance being of the essence of this Sublease Agreement):

(i) Subtenant's failure to pay rent or any other charge under this Sublease Agreement when due.

(ii) Subtenant's failure to comply with any other term or condition within ten (10) days following written notice from Sublessor specifying the noncompliance. If such noncompliance cannot be cured within the ten (10)-day period, this provision shall be satisfied if Subtenant commences correction within such period and thereafter proceeds in good faith and with reasonable diligence to complete correction as soon as possible but not later than ninety (90) days after the date of Sublessor's notice.

(iii) Failure of Subtenant to execute the documents described in Section 16.1 or 16.3 of the Master Lease within the time required under such Sections; failure of Subtenant to provide or maintain the insurance required of Subtenant pursuant hereto; or failure of Subtenant to comply with any Laws as required pursuant hereto within twenty-four (24) hours after written demand by Sublessor.

(iv) Subtenant's insolvency, business failure, or assignment for the benefit of its creditors. Subtenant's commencement of proceedings under any provision of any bankruptcy or insolvency law or failure to obtain dismissal of any petition filed against it under such laws within the time required to answer; or the appointment of a receiver for all or any portion of Subtenant's properties or financial records

(v) Assignment or subletting by Subtenant in violation of Section 6 of this Sublease Agreement.

(vi) Vacation or abandonment of the Premises without the written consent of Sublessor or failure to occupy the Premises within twenty (20) days after Sublessor tenders possession.

(vii) An Event of Default shall occur under the AbSci Direct Lease.

In addition to the foregoing, an Event of Default under this Sublease Agreement shall be deemed to be a default under the AbSci Direct Lease. Sublessor shall have all of the rights and remedies of Landlord under the Master Lease with respect to any breach by Subtenant of any term or provision of this Sublease Agreement and/or the Master Lease (each an "Event of Default"). Sublessor shall promptly provide to Subtenant any notice of default or breach of Master Lease received by Sublessor from Landlord.

4. Term. The term of this Sublease Agreement shall be for a period commencing on the date Sublessor delivers possession of the Premises to Subtenant (the "Commencement Date") and ending June 30, 2024 (the "Expiration Date"). Except as specifically provided below in this Section 4, Sublessor's failure to deliver possession

of the Premises, for any reason whatsoever, shall not constitute Sublessor's default hereunder, shall not affect the enforceability of this Sublease Agreement nor make it void or voidable, shall not give rise to any right on behalf of Subtenant to terminate this Sublease Agreement, nor Sublessor shall not have any liability to Subtenant for delay in such delivery. Notwithstanding the foregoing, if Sublessor has not delivered possession of the Premises to Subtenant on or before June 30, 2019, Subtenant shall have the right to terminate this Sublease Agreement by providing written notice to Sublessor no later than July 5, 2019. Should Subtenant provide such notice, this Sublease Agreement shall terminate as of the date of such notice. If Subtenant fails to timely provide such notice, this Sublease Agreement shall remain in full force and effect.

5. Rent Payments. Commencing on the Commencement Date and on the first day of each month thereafter, Subtenant shall pay to Sublessor, monthly Base Rent as set forth in the table below to the address required by Sublessor, and all operating expenses and real property taxes (both as further set forth in the Master Lease) incurred with respect to the Premises. Sublessor shall provide to Subtenant notice of the estimated amount of such operating expenses and real property taxes, which amount shall be added to the Base Rent payable by Subtenant. When Sublessor provides Subtenant notice of the estimated amount of such operating expenses and real property taxes, Sublessor shall provide Subtenant with statements Sublessor received from Landlord. Sublessor may at its option impose a late charge of the greater of \$0.05 for each \$1 of rent or \$50.00 for rent payments made more than ten (10) days after the date such is due in lieu of interest provided under the Master Lease for the first month of delinquency.

Period	Annual Base Rent per RSF	Annual Base Rent	Monthly Base Rent
Commencement Date through 12/31/19	\$28.01	\$204,501.01	\$17,041.75
1/1/20 - 12/31/20	\$28.85	\$210,633.85	\$17,552.82
1/1/21 - 12/31/21	\$29.71	\$216,912.71	\$18,076.06
1/1/22 - 12/31/22	\$30.60	\$223,420.09	\$18,618.34
1/1/23 - 12/31/23	\$31.52	\$230,122.69	\$19,176.89
1/1/24 - 06/30/24	\$32.46	\$237,026.37	\$19,752.20

6. Assignment and Subletting. Subtenant shall not assign or encumber its interest under this Sublease Agreement or sublet all or any portion of the Premises without first obtaining Sublessor's consent in writing. This provision shall apply to all transfers by operation of law, and to all mergers and changes in control of Subtenant, all of which shall be deemed assignments for the purposes of this Section. No assignment shall relieve Subtenant of its obligation to pay rent or perform other obligations required by this Sublease Agreement, and no consent to one assignment or subletting shall be a consent to any further assignment or subletting. If Subtenant proposes a subletting or assignment for which Sublessor's consent is required, Sublessor shall have the option of terminating this Sublease Agreement and dealing directly with the proposed subtenant or assignee, or any third party. Notwithstanding the foregoing, Sublessor may at its sole discretion withhold consent to the subletting or assignment of the Premises to an existing occupant of the Building, to any prospective tenant with which Landlord, Sublessor or Landlord's or Sublessor's agents have negotiated within the previous six (6) months, or where any sublease will require any changes to any building systems. Subtenant shall not advertise at a rate which is less than the Building's listed rate. If Sublessor does not terminate this Sublease Agreement, Sublessor shall not unreasonably withhold its consent to any assignment or subletting provided the effective rental paid by the subtenant or assignee is not less than the current scheduled rental rate of the Building for comparable space and the proposed tenant is compatible with Landlord's normal standards for the Building. If an assignment or subletting is permitted, any cash net profit, or the net value of any other consideration received by Subtenant as a result of such transaction shall be paid to Sublessor promptly following its receipt by Subtenant. Subtenant shall pay any costs incurred by Sublessor in connection with a request for assignment or subletting, including reasonable attorney fees.

7. Attorney Fees. If any party to this Sublease Agreement breaches any term of this Sublease Agreement, then any other party shall be entitled to recover all expense of whatever form or nature, costs and attorney fees reasonably incurred to enforce the terms of this Sublease Agreement.

8. Notices. All communication, notices and demands of any kind which a party may be required or desire to give or to serve upon another party shall be made in writing and shall be deemed to have been fully given when deposited in the United States mail to the addresses set forth below:

Sublessor: Notices:

To any address required by Landlord from time to time.

Subtenant: AbSci LLC

101 E. 6<sup>th</sup> Street, Suite 300  
Vancouver, Washington 98660  
Attn: Sean McClain  
Email: smcclain@abscibio.com

9. No Release of Sublessor. The parties acknowledge that Sublessor shall not be released from any liability under the Master Lease. Landlord may proceed directly against Sublessor, Subtenant or both for any breach of the Master Lease (but Subtenant shall only be responsible breach of Master Lease to the extent of Subtenant's obligations under the Master Lease as more particularly described in Section 2 and 3 above).

10. Furniture. Concurrently with the execution of this Lease, Tenant shall pay Landlord Ten Dollars (\$10.00) for the purchase of the Personal Property (as defined in Exhibit B-I to the bill of sale, attached hereto as Exhibit B), and Landlord and Tenant shall execute an "as is" bill of sale with respect to such furniture in the form attached as Exhibit B.

11. Parking. Subtenant shall be entitled to use sixteen (16) parking spaces in the Building parking garage at the rate established for such parking spaces, so long as Sublessor has the right to provide such spaces in the Building parking garage. Subtenant's use of such parking spaces shall be subject to all applicable parking provisions of the AbSci Direct Lease.

12. Letter of Credit.

(a) General. Concurrently with the execution of this Sublease Agreement, Subtenant must deliver to Sublessor an unconditional, irrevocable standby letter of credit ("Letter of Credit") which conforms in form and substance to the attached Schedule "1" (or is otherwise reasonably acceptable to Sublessor) and which:

(I) is issued by a United States federal or state chartered bank ("Issuer") that: (i) is either a member of the New York Clearing House Association or is a commercial bank or trust company reasonably acceptable to Sublessor, (ii) has total assets of at least \$10,000,000,000 as determined in accordance with generally accepted accounting principles consistently applied ("Total Assets"), or such lesser amount as accepted by Sublessor in its sole discretion, and (iii) has a rating ("CAMELS Rating") of 2 or higher under the Uniform Financial Institutions Rating System ("UFIRS") adopted by the Federal Financial Institution Council ("FFIEC") and the Office of Banks and Real Estate, Bureau of Banks and Trust Companies ("Bureau");

(II) names Sublessor as beneficiary thereunder;

(III) has a term ending not less than one (1) year after the date of issuance;

(IV) automatically renews for one-year periods unless Issuer notifies beneficiary in writing, at least sixty (60) days prior to the expiration date, that Issuer elects not to renew the Letter of Credit;

(V) provides for payment to beneficiary of immediately available funds (denominated in United States dollars) in the amount of \$500,000.00 within three (3) banking days after presentation of the Sight Draft substantially conforming to the form attached as Exhibit "A" to the Letter of Credit;

- (VI) provides that draws may be presented, and are payable, at Issuer's letterhead office, or by facsimile or email to the addresses set forth on Issuer's letterhead, if any, or such other facsimile number or email address provided to beneficiary;
- (VII) is payable in sight drafts which only require the beneficiary to state that the draw is payable to the order of beneficiary;
- (VIII) permits partial and multiple draws;
- (IX) permits multiple transfers by beneficiary;
- (X) waives any rights Issuer may have, at law or otherwise, to subrogate to any claims beneficiary may have against applicant or applicant may have against beneficiary; and
- (XI) is governed by International Standby Practices ISP98 (International Chamber of Commerce, Publication No. 590).

The Letter of Credit (as transferred, extended, renewed or replaced) must be maintained during the entire term of this Sublease Agreement, as extended or renewed, and for a period of sixty (60) days thereafter.

(b) Transfer; Fees. Sublessor may freely transfer the Letter of Credit in connection with an assignment of the Sublease Agreement without: (i) Subtenant's consent, (ii) restriction on the number of transfers or (iii) condition, other than presentment to Issuer of the original Letter of Credit and a duly executed transfer document conforming to the form attached as Exhibit "B" to the Letter of Credit. Subtenant is solely responsible for any bank fees or charges imposed by Issuer in connection with the issuance of the Letter of Credit or any transfer, renewal, extension or replacement thereof. If Subtenant fails to timely pay such transfer fee, Sublessor may, at its option and without notice to Subtenant, elect to pay any transfer fees to Issuer when due, and upon payment, such amount will become immediately due and payable from Subtenant to Sublessor as Additional Rent under the Sublease Agreement.

(c) Definition of Draw Event. "Draw Event" means the occurrence of any of the following events:

- (I) Subtenant fails to pay fully any item of Rent as and when due;
- (II) Subtenant: (i) breaches or fails to timely perform any of its other obligations under the Sublease Agreement, (ii) the breach or failure continues for a period of ten (10) days without regard to any cure period granted under the Sublease Agreement and without regard to whether such breach or failure is determined (upon occurrence or at any later time) to be an Event of Default and (iii) Subtenant has either failed to commence cure of the breach or failure or, if cure has been commenced, is not diligently pursuing such cure;
- (III) Subtenant fails to timely cause the Letter of Credit to be renewed or replaced as required in Section 12(e) below;
- (IV) An Issuer Quality Event as described in Section 12(f) below;
- (V) An Event of Default; or
- (VI) Subtenant holds over or remains in possession of the Premises after the expiration of the Term or termination of the Sublease Agreement, without Sublessor's prior written consent.

(d) Draw and Use of Draw Proceeds. Immediately upon the occurrence of any one or more Draw Events, and at any time thereafter, Sublessor may draw on the Letter of Credit, in whole or in part (if partial draw is made, Sublessor may make multiple draws), as Sublessor may determine in Sublessor's sole and absolute discretion. The term "Draw Proceeds" means the cash proceeds of any draw or draws made by Sublessor under the Letter of Credit. Any delays by Sublessor in drawing on the Letter of Credit or using the Draw Proceeds will not constitute a waiver by Sublessor of any of its rights hereunder with respect to the Letter of Credit or the Draw Proceeds. Sublessor will hold the Draw Proceeds in its own name and may co-mingle the Draw Proceeds with

other accounts of Sublessor or invest them as Sublessor may determine in its sole and absolute discretion. Issuer's failure to timely honor a draw request shall be an Event of Default under this Sublease Agreement.

In addition to any other rights and remedies Sublessor may have, Sublessor may in its sole and absolute discretion and at any time, use and apply all or any portion of the Draw Proceeds to pay Sublessor for any one or more of the following:

(I) Rent or any other sum which is past due, due or becomes due, or to which Sublessor is otherwise entitled under the terms of the Sublease Agreement, whether due to the passage of time, the existence of a default or otherwise (including, without limitation, late payment fees or charges and any amounts which Sublessor is or would be allowed to collect under the Sublease Agreement, and without deducting therefrom any offset for proceeds of any potential reletting or other potential mitigation which has not in fact occurred at the time of the draw);

(II) any and all amounts incurred or expended by Sublessor in connection with the exercise and pursuit of any one or more of Sublessor's rights or remedies under the Sublease Agreement, including, without limitation, reasonable attorneys' fees and costs;

(III) any and all amounts incurred or expended by Sublessor in obtaining the Draw Proceeds, including, without limitation, reasonable attorneys' fees and costs; or

(IV) any and all other damage, injury, expense or liability caused to or incurred by Sublessor as a result of any Event of Default, Draw Event or other breach, failure or default by Subtenant under the Sublease Agreement.

To the extent that Draw Proceeds exceed the amounts so applied, such excess Draw Proceeds will be deemed paid to Sublessor to establish a credit on Sublessor's books in the amount of such excess, which credit may be applied by Sublessor thereafter (in Sublessor's sole and absolute discretion), to any of Subtenant's obligations to Sublessor under the Sublease Agreement as and when they become due. Following any use or application of the Draw Proceeds, Subtenant, if requested by Sublessor in writing, must, within ten (10) days after receipt of Sublessor's request, cause a replacement Letter of Credit complying with Section 12(a) above to be issued and delivered to Sublessor; provided, however, that the amount of the replacement Letter of Credit will be an amount equal to the original amount of the Letter of Credit (as set forth in Section 12(a)(1) above) less any unapplied Draw Proceeds on the date the replacement Letter of Credit is issued. Upon Sublessor's receipt of the replacement Letter of Credit, Sublessor will deliver the prior original Letter of Credit to Issuer for cancellation (if not theretofore fully drawn) and any unapplied Draw Proceeds will be applied in accordance with Section 12(d) above.

If it is determined or adjudicated by a court of competent jurisdiction, or any arbitration or other alternative dispute resolution proceeding, that Sublessor was not entitled to draw on the Letter of Credit, Subtenant may, as its sole and exclusive remedy, cause Sublessor to: (i) deliver the prior original Letter of Credit to Issuer for cancellation (if not theretofore fully drawn), (ii) return to Issuer the amount of the Draw Proceeds which the court, or other dispute resolution authority, determines Sublessor was not entitled to draw and (iii) reimburse Subtenant for all out-of-pocket fees, costs and interest expenses actually incurred by Subtenant as a direct result of Sublessor's draw on the Letter of Credit (including without limitation the costs and expenses of providing a replacement Letter of Credit and any attorneys' fees and expenses); provided, however, Subtenant may exercise its exclusive remedy only after Subtenant has: (y) cured all defaults under the Sublease Agreement and (z) caused a replacement Letter of Credit complying with Section 12(a) above to be issued and delivered to Sublessor. Sublessor will not be liable for any other actual damages or any indirect, consequential, special or punitive damages incurred by Subtenant in connection with either a draw by Sublessor on the Letter of Credit or the use or application by Sublessor of the Draw Proceeds. Nothing in the Sublease Agreement or in the Letter of Credit will confer upon Subtenant any property rights or interest in any Draw Proceeds.

(e) Renewal and Replacement. The Letter of Credit must provide that it will be automatically renewed unless Issuer provides written notice of nonrenewal to Sublessor at least sixty (60) days prior to the expiration date of the Letter of Credit. If written notice of nonrenewal is received from Issuer, Subtenant must

renew the Letter of Credit or replace it with a new Letter of Credit, at least thirty (30) days prior to the stated expiration date of the then-current Letter of Credit. Any renewal or replacement Letter of Credit must meet the criteria set forth in Section 12(a) above, and must have a term commencing at least one day prior to the stated expiration date of the immediately prior Letter of Credit. Failure to timely provide a renewal or replacement Letter of Credit as provided above will, at Sublessor's election, be an Event of Default under the Sublease Agreement.

(f) Issuer Quality Event. If an Issuer Quality Event occurs, Subtenant, upon thirty (30) days advance written notice from Sublessor, must, at its own cost and expense, provide Sublessor with a replacement Letter of Credit meeting all of the requirements of Section 12(a) above. The term "Issuer Quality Event" means the Issuer fails to meet criteria set forth in Section 12(a)(1) above. Failure to timely provide a replacement letter of credit shall, at Landlord's election, be an Event of Default under this Sublease Agreement.

(g) Additional Agreements of Subtenant. Subtenant expressly acknowledges and agrees that:

(I) the Letter of Credit constitutes a separate and independent contract between Sublessor and Issuer, and Subtenant has no right to submit a draw to Issuer under the Letter of Credit;

(II) Subtenant is not a third-party beneficiary of such contract, and Sublessor's ability to either draw under the Letter of Credit for the full or any partial amount thereof or to apply Draw Proceeds may not, in any way, be conditioned, restricted, limited, altered, impaired or discharged by virtue of any Laws to the contrary, including, but not limited to, any Laws that restrict, limit, alter, impair, discharge or otherwise affect any liability that Subtenant may have under the Sublease Agreement or any claim that Sublessor has or may have against Subtenant;

(III) neither the Letter of Credit nor any Draw Proceeds will be or become the property of Subtenant, and Subtenant does not and will not have any property right or interest therein;

(IV) Subtenant is not entitled to any interest on any Draw Proceeds;

(V) neither the Letter of Credit nor any Draw Proceeds constitute an advance payment of Rent, security deposit or rental deposit;

(VI) neither the Letter of Credit nor any Draw Proceeds constitute a measure of Sublessor's damages resulting from any Draw Event, Event of Default or other breach, failure or default (past, present or future) under the Sublease Agreement; and

(VII) Subtenant will cooperate with Sublessor, at Subtenant's own expense, in promptly executing and delivering to Sublessor all modifications, amendments, renewals, extensions and replacements of the Letter of Credit, as Sublessor may reasonably request.

(h) Restrictions on Subtenant Actions. Subtenant hereby irrevocably waives any and all rights and claims that it may otherwise have at law or in equity, to contest, enjoin, interfere with, restrict or limit, in any way whatsoever, any requests or demands by Sublessor to Issuer for a draw or payment to Sublessor under the Letter of Credit. If Subtenant, or any person or entity on Subtenant's behalf or at Subtenant's discretion, brings any proceeding or action to contest, enjoin, interfere with, restrict or limit, in any way whatsoever, any one or more draw requests or payments under the Letter of Credit, Subtenant will be liable for any and all direct and indirect damages resulting therefrom or arising in connection therewith, including, without limitation, reasonable attorneys' fees and costs. Nothing contained in this Section 12(h) shall preclude Subtenant from instituting legal proceedings against Sublessor for damages in connection with a wrongful draw on the Letter of Credit by Sublessor so long as such legal proceedings do not in any way contest, enjoin, interfere, restrict or limit Sublessor's draw request under the Letter of Credit.

(i) Cancellation After End of Term. Provided that no Draw Event, Event of Default, or other breach or default under the Sublease Agreement then exists, Sublessor will deliver the Letter of Credit to the Issuer for cancellation within sixty (60) days after Subtenant surrenders the Premises to Sublessor upon the expiration of the Term.



13. Extra Utility Usage. If Subtenant uses excessive amounts of utilities or services of any kind because of unusually high demands from office machinery and equipment, nonstandard lighting, or any other similar cause, as determined by Sublessor in its reasonable judgment when compared to other office tenants in the Portland-Vancouver metropolitan area, Sublessor may impose a reasonable charge for supplying such extra utilities or services, which charge shall be payable monthly by Subtenant in conjunction with rent payments. Sublessor reserves the right to (i) install separate meters for any utility and to charge Subtenant for the cost of such installation up to \$2,000 per utility, and/or (ii) charge Subtenant for the actual cost of utilities used by it if Sublessor is able to calculate such usage.

14. Miscellaneous.

(a) Complete Agreement; No Implied Covenants.

This Sublease Agreement (and the Master Lease to the extent of its incorporation into this Sublease Agreement) constitutes the entire agreement of the parties and supersedes all prior written and oral agreements and representations and there are no implied covenants or other agreements between the parties except as expressly set forth in this Sublease Agreement. Neither Sublessor nor Subtenant is relying on any representations other than those expressly set forth herein.

(b) Space Leased AS IS.

Unless otherwise stated in this Sublease Agreement, the Premises are leased AS IS in the condition now existing with no alterations or other work to be performed by Sublessor.

(c) Nonwaiver.

Failure by Sublessor to promptly enforce any regulation, remedy, or right of any kind under this Sublease Agreement shall not constitute a waiver of the same and such right or remedy may be asserted at any time after Sublessor becomes entitled to the benefit thereof notwithstanding delay in enforcement.

(d) Consent.

Except where otherwise provided in this Sublease Agreement, either party may withhold its consent for any reason or for no reason whenever that party's consent is required under this Sublease Agreement.

(e) Force Majeure.

If performance by Sublessor of any portion of this Sublease Agreement is made impossible by any prevention, delay, or stoppage caused by governmental approvals, war, acts of terrorism, strikes, lockouts, labor disputes, acts of God, inability to obtain services, labor, or materials or reasonable substitutes for those items, governmental actions, civil commotions, fire or other casualty, or other causes beyond the reasonable control of Sublessor, performance by Sublessor for a period equal to the period of that prevention, delay, or stoppage is excused.

(f) Commissions.

Each party represents that it has not had dealings with any real estate broker, finder, or other person with respect to this Sublease Agreement in any manner.

(g) Successors.

Subject to Section 6, this Sublease Agreement shall bind and inure to the benefit of the parties, their respective heirs, successors, and permitted assigns.

(h) Financial Reports.

Within ten (10) days after Sublessor's request, Subtenant will furnish Subtenant's most recent financial statements to Sublessor. Subtenant will discuss its financial statements with Sublessor and will give Sublessor

access to Subtenant's books and records in order to enable Sublessor to verify the financial statements. Sublessor will not disclose any aspect of Subtenant's financial statements except (1) to Sublessor's lenders or prospective purchasers of the Building who have executed a sales contract with Sublessor, (2) in litigation between Sublessor and Subtenant, or (3) if required by court order.

(i) Waiver of Jury Trial.

To the maximum extent permitted by law, Sublessor and Subtenant each waive right to trial by jury in any litigation arising out of or with respect to this Sublease Agreement.

(j) Executive Order 13224.

Subtenant hereby certifies all persons or entities holding any legal or beneficial interest whatsoever in Subtenant are not included in, owned by, controlled by, acting for or on behalf of, providing assistance, support, sponsorship, or services of any kind to, or otherwise associated with any of the persons or entities referred to or described in Executive Order 13224 - Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, as amended.

(k) Relocation.

Sublessor shall have the right at any time during the Term of this Sublease Agreement to require the Subtenant to relocate to other space in the Project (hereinafter referred to as "Substitution Space"). The Substitution Space shall have approximately the same rentable square footage as the Premises. If Sublessor desires to exercise such right, Sublessor shall give Subtenant not less than sixty (60) days prior written notification that Subtenant is to relocate to another space. Sublessor shall pay for all reasonable costs directly related to such relocation, including all reasonable costs and expenses related to improving the space with leasehold improvements equal to those then in Subtenant's Premises. After such relocation, all terms, covenants, conditions, provisions, and agreements of this Sublease Agreement shall continue in full force and effect and shall apply to the Substitution Space except that if the Substitution Space contains more square footage than the presently leased Premises, the monthly rental shall be increased proportionately. If Subtenant shall retain possession of the Premises or any part thereof following the date set for relocation or termination, Subtenant shall be liable to Sublessor, for each day of such retention, for double the amount of the daily rental for the last period prior to the date of such expiration or termination, plus actual damages incurred by Sublessor resulting from delay by Subtenant in surrendering the Premises, including, without limitation, any claims made against Sublessor by any succeeding tenant to the Premises and Sublessor's costs in taking any action to evict Subtenant from the Premises.

(l) Confidentiality.

Sublessor and Subtenant shall keep the content and all copies of this Sublease Agreement, all related documents and amendments, and all proposals, materials, information (including but not limited to rental terms, rent abatement, construction allowance, and any other concessions or terms of the business deal), and matters relating hereto strictly confidential and shall not disclose, divulge, disseminate or distribute any of the same, or permit the same to occur, except to the extent reasonably required for proper business purposes by Sublessor's or Subtenant's employees, attorneys, agents, insurers, auditors, lenders and permitted successors and assigns (and Sublessor shall obligate any such parties to whom disclosure is permitted to honor the confidentiality provisions hereof) and except as may be required by law or court proceedings. This confidentiality provision shall be binding upon the parties hereto and their respective successor and assigns and shall survive the expiration of this Sublease Agreement. Subtenant and its representatives shall be prohibited from issuing any press release(s) or communicating with the media regarding the proposed or agreed to transaction, in which the Subtenant has not received prior written authorization from Sublessor.

(m) Mold.

Subtenant shall not allow or permit any conduct or omission at the Premises, or anywhere on Sublessor's property, that will promote or allow the production or growth of mold, spores, fungus, or any other similar organism (except for non-pathogen microbials that Subtenant uses for business purposes only, and only in

compliance with applicable laws), and shall indemnify and hold Sublessor harmless from any claim, demand, cost, and expense (including attorney fees) arising from or caused by Subtenant's failure to strictly comply with its obligations under this provision.

*[Signatures on following page.]*

IN WITNESS WHEREOF, the parties hereto have executed this Sublease Agreement as of the date set forth above.

SUBLESSOR

KILLIAN PACIFIC LLC, a Washington limited liability company

By:

/s/ Adam Tyler

Name:

Adam Tyler

Title:

Vice President

SUBTENANT

ABSCI, LLC, a Delaware limited liability company

By:

/s/ Sean McClain

Name:

Sean McClain

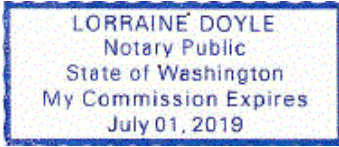
Title:

CEO

STATE OF WASHINGTON )  
 ) ss.  
County of Clark )

I certify that Adam N. Tyler appeared personally before me and that I know or have satisfactory evidence that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Vice President of Killian Pacific LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 1st day of February, 2019.



/s/ Lorraine Doyle  
NOTARY PUBLIC STATE OF WASHINGTON  
MY COMMISSION EXPIRES: 07/01/2019

STATE OF Washington )  
 ) ss.  
County of Clark )

I certify that Sean McClain appeared personally before me and that I know or have satisfactory evidence that he/she signed this instrument, on oath stated that he/she was authorized to execute this instrument and acknowledged it as the CEO of AbSci, LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED this 18th day of January, 2018.



/s/ Sandra C. Spann  
NOTARY PUBLIC STATE OF WASHINGTON  
MY COMMISSION EXPIRES: March 22, 2021

IN WITNESS WHEREOF, Seller and Buyer have caused this Bill of Sale to be executed on the date and year first above written.

SELLER

KILLIAN PACIFIC LLC, a Washington limited liability company

By:

/s/ Adam Tyler

Name:

Adam Tyler

Title:

Vice President

BUYER

ABSCI, LLC, a Delaware limited liability company

By:

/s/ Sean McClain

Name:

Sean McClain

Title:

CEO

**EXHIBIT A-1  
PREMISES**

**EXHIBIT A-2  
DESCRIPTION OF BUILDING**



**EXHIBIT B**  
**BILL OF SALE**

This Bill of Sale (the "Bill of Sale") is made and entered into as of \_\_\_\_\_, 2019, by and between Killian Pacific LLC, a Washington limited liability company ("Seller"), and AbSci, LLC, a Delaware limited liability company ("Buyer").

In consideration of the sum of Ten and 00/100 Dollars (\$10.00) and other good and valuable consideration paid by Buyer to Seller, the receipt and sufficiency of which are hereby acknowledged by Seller, Seller does hereby assign, transfer, and convey to Buyer, the furniture located in the space with address of 101 E. Sixth Street, Suite 350, Vancouver, Washington 98660 set forth on Exhibit B-I, attached hereto (the "Personal Property").

Buyer acknowledges and agrees that, except as set forth in this Bill of Sale, Seller has not made, does not make and specifically disclaims any representations, warranties, Promises, Covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to (a) the nature, quality or conditions of the personal property, (b) the income to be derived from the Personal Property, (C) the suitability of The Personal Property for any and all activities and uses which buyer may conduct thereon, (D) the compliance of or by the Personal Property or its operation with any laws, rules, ordinances or regulations of any Applicable governmental authority or body, (e) the habitability, merchantability or fitness for a particular purpose of the Personal Property, Or (F) any other matter with respect to the Personal Property. Buyer further acknowledges and agrees that, having been given the opportunity to inspect the Personal Property, buyer is relying solely on its own investigation of the Personal Property and not on any information provided or to be provided by Seller, except as specifically provided in the agreement. Buyer further acknowledges and agrees that any information provided or to be provided with respect to the Personal Property was obtained from a variety of sources and that Seller has not made any independent investigation or verification of such information. buyer further acknowledges and agrees that the sale of the personal property as provided for herein is made on an "As Is, Where Is" condition and basis "With All Faults," as of the Commencement Date (as defined in the Sublease Agreement to which this Bill of Sale is attached (the "Sublease Agreement")).

Buyer understands that if such Personal Property is removed from the Premises in connection with a determination that Seller does not have title to such fixtures and equipment, Seller shall, as Buyer's sole remedy, be obligated to repay such Ten and 00/100 Dollars (\$10.00) to Buyer. Possession of the Personal Property shall be transferred as of the Commencement Date (as defined in the Sublease Agreement). Seller has the right to use the Personal Property prior to the Commencement Date and shall have no liability to Buyer for any damage, destruction of loss prior to the Commencement Date.

*[Signatures on following page.]*

**EXHIBIT B-1  
PERSONAL PROPERTY**

**SCHEDULE 1  
FORM OF LETTER OF CREDIT**

IRREVOCABLE STANDBY LETTER OF CREDIT NO LC \_\_\_\_\_.

DATE: \_\_\_\_\_ XX, 2018

ISSUING BANK: WESTERN ALLIANCE BANK  
55 ALMADEN BOULEVARD, SUITE 100  
SAN JOSE, CA 95113

BENEFICIARY: KILLIAN PACIFIC LLC

\_\_\_\_\_

APPLICANT: ABSCI, LLC  
101 E 6TH ST SUITE 300  
VANCOUVER, WA 9866

AMOUNT: USD 500,000.00

EXPIRATION DATE: TBD

LOCATION: AT OUR COUNTER IN SAN JOSE, CALIFORNIA

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. LC \_\_\_\_ IN YOUR FAVOR (THE "BENEFICIARY"). THIS LETTER OF CREDIT IS AVAILABLE BY SIGHT PAYMENT WITH OURSELVES ONLY AGAINST PRESENTATION AT THIS OFFICE OF THE FOLLOWING DRAWING DOCUMENTS:

1. THE ORIGINAL OF THIS LETTER OF CREDIT AND ALL AMENDMENT(S), IF ANY.
2. YOUR SIGHT DRAFT DRAWN ON US IN THE FORM ATTACHED HERETO AS EXHIBIT "A".
3. BENEFICIARY'S DATED AND SIGNED STATEMENT STATING THE FOLLOWING:

"THE UNDERSIGNED IS ENTITLED TO DRAW UPON THIS CREDIT IN ACCORDANCE WITH THE TERMS OF THAT CERTAIN SUBLEASE AGREEMENT BY AND BETWEEN KILLIAN PACIFIC LLC AND ABSCI, LLC DATED AS OF (AS THE SAME MAY BE MODIFIED, AMENDED OR ASSIGNED)."]

PARTIAL DRAWING AND MULTIPLE PRESENTATIONS ARE ALLOWED.

THIS ORIGINAL LETTER OF CREDIT AND AMENDMENT(S) HERETO, IF ANY, MUST ACCOMPANY ANY DRAWINGS HEREUNDER FOR ENDORSEMENT OF THE DRAWING AMOUNT AND WILL BE RETURNED TO THE BENEFICIARY, PROVIDED; HOWEVER, THAT THE REMAINING AMOUNT AVAILABLE HEREUNDER SHALL BE REDUCED BY THE AMOUNT OF THE DRAWINGS.

DRAFT(S) AND DOCUMENTS MUST INDICATE THE NUMBER AND DATE OF THIS LETTER OF CREDIT.

PRESENTATION OF SUCH DRAWING DOCUMENTS MAY ALSO BE MADE BY FAX TRANSMISSION TO FAX NO. (408) 275-0362 OR SUCH OTHER FAX NUMBER IDENTIFIED BY ISSUER IN A WRITTEN NOTICE TO YOU. TO THE EXTENT A PRESENTATION IS MADE BY FAX TRANSMISSION, YOU MUST (I) PROVIDE EMAIL NOTIFICATION THEREOF TO ISSUER AT LETTEROFCREDIT-DL@BRIDGEBANK.COM PRIOR TO OR SIMULTANEOUSLY WITH THE SENDING OF SUCH FAX TRANSMISSION AND (II) SEND THE ORIGINAL OF THE DRAWING DOCUMENTS TO ISSUER BY OVERNIGHT COURIER, AT THE SAME TIME TO THE ADDRESS PROVIDED BELOW FOR PRESENTATION OF DOCUMENTS.

IF THE DRAWING DOCUMENTS ARE PRESENTED HEREUNDER BY SIGHT OR FACSIMILE TRANSMISSION AS PERMITTED HEREUNDER, AND PROVIDED THAT SUCH DRAWING DOCUMENTS CONFORM TO THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, PAYMENT SHALL BE MADE TO YOU, OR TO YOUR DESIGNEE, OF THE AMOUNT SPECIFIED, IN IMMEDIATELY AVAILABLE FUNDS ON THE THIRD BANKING DAY SUBJECT TO THE BANK'S RECEIPT OF THE ORIGINAL DRAWING DOCUMENTS. IF A DEMAND FOR PAYMENT MADE BY YOU HEREUNDER

DOES NOT, IN ANY INSTANCE, CONFORM TO THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, WE SHALL GIVE YOU NOTICE WITHIN TWO (2) BANKING DAYS THAT THE DEMAND FOR PAYMENT WAS NOT EFFECTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, STATING THE REASONS THEREFORE AND THAT WE WILL UPON YOUR INSTRUCTIONS HOLD ANY DOCUMENTS AT YOUR DISPOSAL OR RETURN THE SAME TO YOU. UPON BEING NOTIFIED THAT THE DEMAND FOR PAYMENT WAS NOT EFFECTED IN CONFORMITY WITH THIS LETTER OF CREDIT, YOU MAY ATTEMPT TO CORRECT ANY SUCH NON-CONFORMING DEMAND FOR PAYMENT TO THE EXTENT THAT YOU ARE ENTITLED TO DO SO AND WITHIN THE VALIDITY OF THIS LETTER OF CREDIT.

THIS LETTER OF CREDIT IS TRANSFERABLE SUCCESSIVELY (ONE OR MORE TIMES, BUT IN EACH INSTANCE ONLY TO A SINGLE BENEFICIARY AS TRANSFEREE) IN ITS ENTIRETY ONLY UP TO THE THEN AVAILABLE AMOUNT IN FAVOR OF ANY NOMINATED TRANSFEREE THAT BENEFICIARY CERTIFIES IN THE TRANSFER REQUEST AS THE SUCCESSOR IN INTEREST TO BENEFICIARY ("TRANSFEREE"), ASSUMING SUCH TRANSFER TO SUCH TRANSFEREE WOULD BE IN COMPLIANCE WITH THEN APPLICABLE LAW AND REGULATIONS, INCLUDING BUT NOT LIMITED TO THE REGULATIONS OF THE U.S. DEPARTMENT OF TREASURY AND U.S. DEPARTMENT OF COMMERCE. AT THE TIME OF TRANSFER, THE ORIGINAL LETTER OF CREDIT AND ORIGINAL AMENDMENT(S), IF ANY, MUST BE SURRENDERED TO US TOGETHER WITH OUR LETTER OF CREDIT TRANSFER INSTRUCTIONS (IN THE FORM OF EXHIBIT "B" ATTACHED HERETO). PAYMENT OF OUR TRANSFER COMMISSION IN EFFECT AT THE TIME OF THE TRANSFER IS FOR ACCOUNT OF THE APPLICANT. THE CORRECTNESS OF THE SIGNATURE AND TITLE OF THE PERSON SIGNING THE TRANSFER FORM MUST BE VERIFIED BY BENEFICIARY'S BANK.

THE DATE THIS LETTER OF CREDIT FULLY AND FINALLY EXPIRES, MAY 30, 2024 IS THE "TERMINAL EXPIRY DATE", IF IT HAS NOT PREVIOUSLY EXPIRED IN ACCORDANCE WITH THE SUCCEEDING PARAGRAPH. NO PRESENTATIONS MADE UNDER THIS LETTER OF CREDIT AFTER THE TERMINAL EXPIRY DATE WILL BE HONORED.

THIS LETTER OF CREDIT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR A ONE YEAR PERIOD STARTING FROM THE PRESENT EXPIRATION DATE HEREOF, MAY 30, 2024 AND UPON EACH ANNIVERSARY OF SUCH DATE, UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO ANY SUCH EXPIRATION DATE WE HAVE SENT YOU A WRITTEN NOTICE BY COURIER SERVICE OR OVERNIGHT MAIL THAT WE ELECT NOT TO PERMIT THIS LETTER OF CREDIT TO BE SO EXTENDED BEYOND ITS THEN CURRENT EXPIRATION DATE. NO PRESENTATION MADE UNDER THIS LETTER OF CREDIT AFTER SUCH DATE WILL BE HONORED.

THIS LETTER OF CREDIT MAY ALSO BE CANCELLED PRIOR TO ANY PRESENT OR FUTURE EXPIRATION DATE, UPON RECEIPT BY WESTERN ALLIANCE BANK BY OVERNIGHT COURIER OR REGISTERED MAIL (RETURN RECEIPT REQUESTED) OF THE ORIGINAL LETTER OF CREDIT AND ALL AMENDMENT(S), IF ANY, FROM THE BENEFICIARY TOGETHER WITH A STATEMENT SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE BENEFICIARY ON COMPANY LETTERHEAD STATING THAT THE LETTER OF CREDIT IS NO LONGER REQUIRED AND IS BEING RETURNED FOR CANCELLATION.

DOCUMENTS MUST BE DELIVERED TO US DURING REGULAR BUSINESS HOURS OF A BANKING DAY OR FORWARDED TO US BY OVERNIGHT DELIVERY SERVICE TO: WESTERN ALLIANCE BANK, 55 ALMADEN BLVD., SUITE 100, SAN JOSE, CA 95113, U.S.A. ATTENTION: INTERNATIONAL BANKING DIVISION - STANDBY LETTER OF CREDIT NEGOTIATION DEPARTMENT (THE "BANK'S" OFFICE).

AS USED HEREIN, THE TERM "BANKING DAY" MEANS A DAY ON WHICH WE ARE OPEN AT OUR ABOVE ADDRESS IN SAN JOSE, CALIFORNIA TO CONDUCT OUR LETTER OF CREDIT BUSINESS. NOTWITHSTANDING ANY PROVISION TO THE CONTRARY IN THE ISP98 (AS HEREINAFTER DEFINED), IF THE EXPIRATION DATE OR THE TERMINAL EXPIRY DATE IS NOT A BANKING DAY THEN SUCH DATE SHALL BE AUTOMATICALLY EXTENDED TO THE NEXT SUCCEEDING DATE WHICH IS A BANKING DAY.

ALL BANKING CHARGES UNDER THIS LETTER OF CREDIT INCLUDING WIRE REMITTANCE FEE ARE FOR THE ACCOUNT OF THE APPLICANT. ISSUING BANK HEREBY EXPRESSLY WAIVES ANY AND ALL RIGHTS OF SUBROGATION, REIMBURSEMENT, INDEMNITY, EXONERATION, CONTRIBUTION OF ANY OTHER CLAIM WHICH APPLICANT MAY NOW OR HEREAFTER HAVE AGAINST BENEFICIARY OR WHICH BENEFICIARY MAY NOW OR HEREAFTER HAVE AGAINST APPLICANT PURSUANT TO THE SUBLEASE AGREEMENT DATED AS OF (AS AMENDED FROM TIME TO

TIME) BETWEEN APPLICANT AND BENEFICIARY AND ANY LEASE DOCUMENTS RELATED THERETO OR OTHER PERSON DIRECTLY OR CONTINGENTLY LIABLE FOR SUCH CLAIMS.

WE HEREBY AGREE WITH YOU THAT THE DRAFTS DRAWN UNDER AND IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT SHALL BE DULY HONORED BY WESTERN ALLIANCE BANK.

EXCEPT AS FAR AS OTHERWISE EXPRESSLY STATED HEREIN, THIS LETTER OF CREDIT WILL BE (I) SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES ISP98 (INTERNATIONAL CHAMBER OF COMMERCE, PUBLICATION NO. 590) OR ANY SUBSEQUENT REVISIONS THEREOF; AND (II) SUBJECT TO AND IN FULL COMPLIANCE WITH THE THEN EXISTING SANCTIONS REGULATIONS OF THE OFFICE OF FOREIGN ASSETS CONTROL, UNITED STATES DEPARTMENT OF TREASURY.

WESTERN ALLIANCE BANK

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EXECUTIVE VICE PRESIDENT

EXHIBIT "A"

SIGHT DRAFT/BILL OF EXCHANGE	
DATE: _____	REF NO. _____
AT SIGHT OF THIS BILL OF EXCHANGE	
PAY TO THE ORDER OF _____	US\$ _____
US DOLLARS _____	
"DRAWN UNDER WESTERN ALLIANCE BANK, SAN JOSE, CALIFORNIA, IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: _____, DATED: _____."	
TO: WESTERN ALLIANCE BANK INTERNATIONAL BANKING 55 ALMADEN BLVD SUITE 100 SAN JOSE, CA, 95113 U.S.A.	KILLIAN PACIFIC LLC ("BENEFICIARY")  _____ AUTHORIZED SIGNATURE

GUIDELINES TO PREPARE THE SIGHT DRAFT OR BILL OF EXCHANGE:

- |                             |   |
|-----------------------------|---|
| 1. DATE                     | ISSUANCE DATE OF DRAFT OR BILL OF EXCHANGE. |
| 2. REF NO                   | YOUR REFERENCE NUMBER, IF ANY.              |
| 3. PAY TO THE ORDER OF:     | NAME OF BENEFICIARY                         |
| 4. USS                      | AMOUNT OF DRAWING IN NUMERIC FIGURES        |
| 5. US DOLLARS               | AMOUNT OF DRAWING - IN WORDS.               |
| 6. LETTER OF CREDIT NUMBER: | OUR STANDBY LETTER OF CREDIT NUMBER         |
| 7. DATED:                   | ISSUANCE DATE OF STANDBY LETTER OF CREDIT   |

NOTE: BENEFICIARY MUST ENDORSE THE BACK OF THE SIGHT DRAFT OR BILL OF EXCHANGE AS YOU WOULD ENDORSE A CHECK.

**EXHIBIT "B"**  
**LETTER OF CREDIT TRANSFER INSTRUCTIONS**

TO: WESTERN ALLIANCE BANK  
55 ALMADEN BLVD  
SUITE 100  
SAN JOSE, CA 95113  
U.S.A.

ATTN: INTERNATIONAL BANKING  
(408) 556-8397 DATE:

RE: WESTERN ALLIANCE BANK IRREVOCABLE STANDBY LETTER OF CREDIT NO. \_\_\_\_\_  
LETTER OF CREDIT DATED: \_\_\_\_\_

LADIES AND GENTLEMEN:

FOR VALUE RECEIVED, THE UNDERSIGNED BENEFICIARY ("BENEFICIARY") HEREBY IRREVOCABLY TRANSFERS TO:

\_\_\_\_\_  
(NAME OF TRANSFEREE)

\_\_\_\_\_  
(ADDRESS)

\_\_\_\_\_  
(CONTACT NAME)

\_\_\_\_\_  
(TELEPHONE NUMBER^)

("TRANSFEREE") ALL RIGHTS OF BENEFICIARY UNDER THE ABOVE LETTER OF CREDIT ("LETTER OF CREDIT") AND TRANSFEREE SHALL HAVE SOLE RIGHTS AS BENEFICIARY THEREOF, INCLUDING WITHOUT LIMITATION SOLE RIGHTS RELATING TO ANY AMENDMENTS THERETO, WHETHER INCREASES OR EXTENSIONS OR OTHER AMENDMENTS AND WHETHER NOW EXISTING OR HEREAFTER MADE. IN CONNECTION WITH THE FOREGOING, BENEFICIARY HEREBY IRREVOCABLY AGREES AND INSTRUCTS YOU

- (A) THAT BENEFICIARY DOES NOT RETAIN ANY RIGHT TO REFUSE TO ALLOW YOU TO ADVISE TRANSFEREE OF ANY AMENDMENT TO THE LETTER OF CREDIT,
- (B) THAT ALL FUTURE AMENDMENTS TO THE LETTER OF CREDIT ARE TO BE ADVISED DIRECTLY TO TRANSFEREE WITHOUT NECESSITY OF ANY CONSENT OF OR NOTICE TO BENEFICIARY, AND
- (C) THAT THERE WILL BE NO SUBSTITUTION OF BENEFICIARY'S DRAFT(S) AND/OR OTHER DOCUMENTS FOR THOSE PRESENTED TO YOU BY TRANSFEREE.

WE ENCLOSE HERewith THE ORIGINAL LETTER OF CREDIT (AND ALL ORIGINAL AMENDMENTS THERETO DATED ON OR PRIOR TO THE DATE OF THESE TRANSFER INSTRUCTIONS) AND, TOGETHER WITH TRANSFEREE, REQUEST THAT YOU TRANSFER THE LETTER OF CREDIT TO

TRANSFEREE BY REISSUING THE LETTER OF CREDIT IN FAVOR OF THE TRANSFEREE WITH PROVISIONS CONSISTENT WITH THE LETTER OF CREDIT. BENEFICIARY AND TRANSFEREE AGREE THAT ANY CHARGES ASSESSED BY YOU IN RELATION TO THIS TRANSFER SHALL BE PAID BY APPLICANT, UNLESS OTHERWISE PROVIDED IN THE LETTER OF CREDIT, AND THAT THIS TRANSFER SHALL NOT BE EFFECTIVE UNLESS AND UNTIL YOU RECEIVE SUCH PAYMENT.

WE WARRANT THAT THE TRANSACTION INVOLVED IS NOT IN VIOLATION OF ANY U.S. FOREIGN ASSETS CONTROL REGULATIONS.  
THIS TRANSFER SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAWS OF THE STATE OF ARIZONA WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES, ANY DISPUTES WITH RESPECT TO OR ARISING RELATED THERETO SHALL BE SUBJECT TO THE JURISDICTION OF THE COURTS OF THE STATE TO WHICH JURISDICTION THE PARTIES HEREBY SUBMIT.]

VERY TRULY YOURS,

\_\_\_\_\_  
(NAME OF BENEFICIARY)

\_\_\_\_\_  
(AUTHORIZED SIGNATURE)

ACKNOWLEDGED AND ACCEPTED THIS

\_\_\_\_ DAY OF \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
(NAME OF TRANSFEREE)

\_\_\_\_\_  
(AUTHORIZED SIGNATURE)

SIGNATURE AUTHENTICATED

The name(s), title(s), and signature(s) conform to that/those on file with us for the company and the signature(s) is/are authorized to execute this instrument.

\_\_\_\_\_  
(Name of Beneficiary s Bank)

\_\_\_\_\_  
(Address of Bank)

\_\_\_\_\_  
(City, State, ZIP Code)

\_\_\_\_\_  
(Authorized Name and Title)

\_\_\_\_\_  
(Authorized Signature)

\_\_\_\_\_  
(Telephone number)



## AMENDMENT NO. 1 OF SUBLEASE

This AMENDMENT NO. 1 OF SUBLEASE (this "Amendment") is made as of July 1, 2019, between KILLIAN PACIFIC LLC, a Washington limited liability company ("Sublessor"), and ABSCI, LLC, a Delaware limited liability company ("Subtenant").

### RECITALS

A. Sublessor and Subtenant are parties to that certain Sublease dated February 1, 2019 (the "Sublease"). Pursuant to the Sublease, Sublessor subleases to Subtenant that certain space known as Suite 350 in the building located at 101 E. Sixth St., Vancouver, WA, commonly known as "The Hudson" (as more particularly described in the Sublease, the "Premises"). Capitalized terms in this Amendment shall have the meanings given to them in the Sublease, unless otherwise defined in this Amendment.

B. Sublessor and Subtenant desire to, among other things, delay the anticipated delivery date of the Premises and extend the Expiration Date, in accordance with the terms and conditions set forth in this Amendment.

### AGREEMENT

In consideration of the mutual covenants and conditions contained herein and for other good and valuable consideration, Sublessor and Subtenant agree as follows:

1. **Amended Term.**

A. **Term.** Section 4 of the Sublease is hereby deleted and replaced with the following:

**Term.** The term of this Sublease Agreement shall be for a period commencing on the date Sublessor delivers possession of the Premises to Subtenant (the "Commencement Date") and ending August 31, 2024 (the "Expiration Date"). Except as specifically provided below in this Section 4, Sublessor's failure to deliver possession of the Premises, for any reason whatsoever, shall not constitute Sublessor's default hereunder, shall not affect the enforceability of this Sublease Agreement nor make it void or voidable, shall not give rise to any right on behalf of Subtenant to terminate this Sublease Agreement, nor Sublessor shall not have any liability to Subtenant for delay in such delivery. Notwithstanding the foregoing, if Sublessor has not delivered possession of the Premises to Subtenant on or before August 31, 2019, Subtenant shall have the right to terminate this Sublease Agreement by providing written notice to Sublessor no later than September 5, 2019. Should Subtenant provide such notice, this Sublease Agreement shall terminate as of the date of such notice. If Subtenant fails to timely provide such notice, this Sublease Agreement shall remain in full force and effect.

B. **Rent Tables.** "06/30/24" in the rent table set forth in Section 5 of the Sublease is hereby deleted and replaced with "08/31/24".

2. **Pool Table.** The parties agree that the existing pool table (the "Pool Table") shall remain in the Premises as of the Commencement Date and throughout the term of the Sublease. Subtenant shall keep the Pool Table in good condition and repair. The Pool Table shall remain in the Premises at the expiration or earlier termination of the Sublease and Tenant shall surrender the same in the same condition as of the Commencement Date, reasonable wear and tear excepted.

3. **Hudson Conference Room.** Subtenant acknowledges that the large conference room, as depicted on Exhibit C attached hereto (the "Hudson Conference Room"), is a part of the Premises. Subtenant acknowledges and agrees that Subtenant shall use reasonable efforts to make the Hudson Conference Room available for use by reservation by other tenants of the Building during hours in which Subtenant is not using the Hudson Conference Room. Throughout the term of the Sublease, Subtenant shall permit the cafe operator in the lobby of the Building, as such operator may change from time to time, to access the kitchenette area in the Hudson Conference Room if required for the operation of the lobby cafe under applicable health code laws, rules and regulations. Furthermore, if the Commencement Date has not occurred prior to August 1, 2019, then Sublessor shall permit Subtenant to have unlimited access to the Hudson Conference Room from August 1, 2019 through the Commencement Date.

4. **Exhibits.**

A. **Premises.** For clarity's sake, Exhibit A-1 attached hereto shall be deemed Exhibit A-1 to the Sublease.

B. **Description of Building.** For clarity's sake, Exhibit A-2 attached hereto shall be deemed Exhibit A-2 to the Sublease.

C. **Bill of Sale.** For clarity's sake, the fully executed Bill of Sale is attached hereto as Exhibit B.

5. **Subtenant Representations.** Subtenant represents and warrants that:

A. **Due Authorization.** Subtenant has full power and authority to enter into this Amendment without the consent of any other person or entity and the individual signing this Amendment on behalf of Subtenant has the authority to bind the Subtenant to all terms and conditions of this Amendment;

B. **No Assignment.** Except for any assignment or sublease consented to in writing by Sublessor prior to the date of this Amendment, if any, Subtenant has not assigned the Sublease or sublet the Premises;

C. **No Default.** Subtenant is not in default of the Sublease and Subtenant acknowledges that Sublessor is not in default of the Sublease;

D. **Binding Effect.** The Sublease is binding on Subtenant and is in full force and effect, and Subtenant has no defenses to the enforcement of the Sublease; and

E. **Real Estate Brokers.** There is no real estate broker or agent who is or may be entitled to any commission or finder's fee in connection with the representation of

Subtenant in this Amendment and Subtenant shall indemnify and hold Sublessor harmless from and against any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation, attorneys' fees and costs) with respect to any leasing commission or equivalent compensation alleged to be owing on account of such Tenant's discussions, negotiations and/or dealings with any real estate broker or agent.

## 6. General Provisions

A. Attorneys' Fees. If a suit or an action is instituted in connection with any dispute arising out of this Amendment or the Sublease or to enforce any rights hereunder or thereunder, the *prevailing, party shall be entitled to recover such* amount as the court may adjudge reasonable as attorneys' and paralegals' fees incurred in connection with the preparation for and the participation in any legal proceedings (including, without limitation, any arbitration proceedings or court proceedings, whether at trial or on any appeal or review), in addition to all other costs or damages allowed.

B. Counterparts; Facsimile and Scanned Email Signatures. This Amendment may be executed in counterparts and when each party has signed and *delivered* at least *one such executed* counterpart to the other party, then each such counterpart shall be deemed an original, and, when taken together with the other signed counterpart, shall constitute one agreement which shall be binding upon and effective as to all signatory parties. Facsimile and scanned e-mail signatures shall operate as originals for all purposes under this Amendment.

C. Effect of Amendment. Except for the modifications to the Sublease set forth in this Amendment, the Sublease is unmodified and remains in full force and effect. To the extent any provision of the Sublease conflicts with or is in any way inconsistent with this Amendment, the Sublease is deemed to conform to the terms and provisions of this Amendment.

D. Binding Effect. The provisions of this Amendment shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. No amendment, *modification or* supplement to this Amendment shall be binding upon the parties unless in writing and executed by Sublessor and Subtenant.

E. Integration. This Amendment contains the entire agreement and understanding of the parties with respect to the matters described herein, and supersedes all prior and contemporaneous agreements between them with respect to such matters.

F. Submission of Amendment. The submission of this Amendment for examination and negotiation does not constitute an offer to execute this Amendment by Sublessor. This Amendment shall become effective and binding only upon execution and delivery hereof by Sublessor and Subtenant. No act or omission of any officer, employee or agent of Sublessor or Subtenant shall alter, change or modify any of the provisions hereof. Notwithstanding the foregoing, if this Amendment is subject to approval by any lender having a security interest in the Property, it shall not be binding upon Sublessor until such approval is obtained.

*[signature page to follow]*

IN WITNESS WHEREOF, Sublessor and Subtenant have executed this Amendment as of the date first written above.

**SUBLESSOR:**

KILLIAN PACIFIC LLC, a Washington limited liability company

By: /s/ Adam N. Tyler  
Name: Adam N. Tyler  
Title: /s/ President

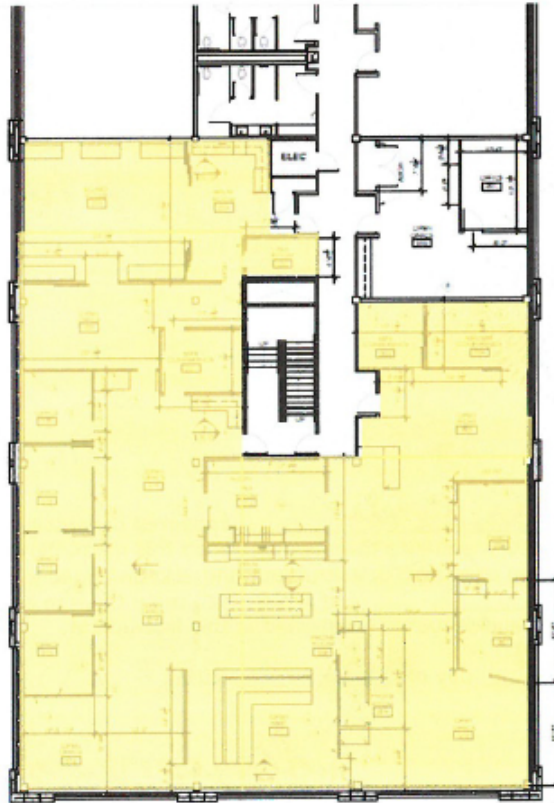
**SUBTENANT:**

ABSCI, LLC, a Delaware limited liability company

By: /s/ Sean McClain  
Name: Sean McClain  
Title: CEO



**EXHIBIT A-1  
PREMISES**



**EXHIBIT A-2**  
**DESCRIPTION OF BUILDING**

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**PARCEL A**

Lots 3 and 4, Block 24, CITY OF VANCOUVER, commonly known as East Vancouver, according to the plat thereof, recorded in Volume 'C' of plats, page 070, records of Clark County, Washington.

EXCEPT that portion described as follows:

BEGINNING at a point on the Easterly line of Main Street, 75 feet and 4 inches South of the Northwest corner of our two-story brick building on the Northwest corner of Block 24, East side of Mam Street, in said City of Vancouver, said Northwest corner of said two-story brick building being also the Southeast corner of Main and Sixth Streets in said City; and running thence East 100 feet, thence South 25 feet and 8 inches, to the Northern boundary line of the premises of Robert Wolf; thence West along said boundary line 100 feet to said Easterly line of Mam Street, thence North along said Easterly line 25 feet and 8 inches to the Place of Beginning.

**PARCEL B**

That portion of Lots 3 and 4, Block 24, East Vancouver, also known as City of Vancouver, according to the plat thereof, recorded in Book 'C' of plats, Page 70. records of Clark County, Washington, described as follows:

BEGINNING AT a point on the Easterly line of Main Street, 75 feet, 4 inches South of the Northwest corner of Sohn's two-story brick building on the Northwest corner of Block 24, on the East side of Mam Street, in Vancouver, Washington, said Northwest corner of said two-story brick building being also the Southeast corner of Main Street and Sixth Street in the City of Vancouver; thence East 100 feet, thence South 25 feet, 8 inches to the Northerly boundary of the premises of Robert Wolf as established by agreement recorded in Volume V, at Page 138, records of said County; thence West along the Northerly boundary 100 feet to the Easterly line of Mam Street; thence North along said Easterly line of Main Street 25 feet, 8 inches to the POINT of Beginning.

**PARCEL C**

Lots 5 and 6, Block 24, CITY OF VANCOUVER, commonly known as EAST VANCOUVER, according to the plat thereof, recorded in Volume 'C\*' of Plats, page 70, and as recorded in Volume D' of Plats, page 20, records of Clark County, Washington.

TOGETHER WITH that portion of East Fifth Street adjoining as vacated by Ordinance No 1590 of the City of Vancouver.

## EXHIBIT B

### BILL OF SALE

This Bill of Sale (the "Bill of Sale") is made and entered into as of February 1, 2019, by and between Killian Pacific LLC, a Washington limited liability company ("Seller"), and AbSci, LLC, a Delaware limited liability company ("Buyer").

In consideration of the sum of Ten and 00/100 Dollars (\$10.00) and other good and valuable consideration paid by Buyer to Seller, the receipt and sufficiency of which are hereby acknowledged by Seller, Seller does hereby assign, transfer, and convey to Buyer, the furniture located in the space with address of 101 E. Sixth Street, Suite 350, Vancouver, Washington 98660 set forth on Exhibit B-I, attached hereto (the "Personal Property").

BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS SET FORTH IN THIS BILL OF SALE, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO: (A) THE NATURE, QUALITY OR CONDITIONS OF THE PERSONAL PROPERTY, (B) THE INCOME TO BE DERIVED FROM THE PERSONAL PROPERTY, (C) THE SUITABILITY OF THE PERSONAL PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER MAY CONDUCT THEREON, (D) THE COMPLIANCE OF OR BY THE PERSONAL PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY, (E) THE HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PERSONAL PROPERTY, OR (F) ANY OTHER MATTER WITH RESPECT TO THE PERSONAL PROPERTY. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT, HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PERSONAL PROPERTY, BUYER IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PERSONAL PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER, EXCEPT AS SPECIFICALLY PROVIDED IN THE AGREEMENT. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PERSONAL PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT THE SALE OF THE PERSONAL PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS, WHERE IS" CONDITION AND BASIS "WITH ALL FAULTS," AS OF THE COMMENCEMENT DATE (AS DEFINED IN THE SUBLEASE AGREEMENT TO WHICH THIS BILL OF SALE IS ATTACHED (THE "SUBLEASE AGREEMENT")).

Buyer understands that if such Personal Property is removed from the Premises in connection with a determination that Seller does not have title to such fixtures and equipment, Seller shall, as Buyer's sole remedy, be obligated to repay such Ten and 00/100 Dollars (\$10.00) to Buyer. Possession of the Personal Property shall be transferred as of the Commencement Date (as defined in the Sublease Agreement). Seller has the right to use the Personal Property prior to the Commencement Date and shall have no liability to Buyer for any damage, destruction or loss prior to the Commencement Date.

*[Signatures on following page.]*



IN WITNESS WHEREOF, Seller and Buyer have caused this Bill of Sale to be executed on the date and year first above written.

SELLER

KILLIAN PACIFIC LLC, a Washington limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

BUYER

ABSCI, LLC, a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **EXHIBIT B-1**

### **PERSONAL PROPERTY**

#### **Reception Area**

- 1 yellow couch
- 1 rainbow colored rug
- 1 large reception custom desk with Columbia River design
- 1 wooden coffee table (in front of yellow couch)
- 1 counter height table and 2 counter height grey chairs
- 1 large black chair (zipper on back)

#### **SE Side of Office**

- 1 desk with partition

#### **Small Phone Booth 1**

- 1 counter height table
- 1 saddle chair

#### **Small Phone Booth 2**

- 1 counter height table
- 1 saddle chair

#### **Kitchen**

- 8 black backless bar stools

#### **Main Meeting Area adjacent to Kitchen**

- Two mounted TVs

#### **Small Phone Booth 1**

- 1 counter height table
- 1 saddle chair

#### **Private Office 1**

1 oak colored sit stand desk

**Private Office 2**

1 oak colored sit stand desk

**Private Office 3**

1 oak colored sit stand desk

**Private Office 4**

1 walnut colored sit stand desk

**Sitting Area adjacent to Hudson Conference Room**

1 blue couch

2 tan leather chairs

1 black chair

1 accent wood table

4 accent white tables

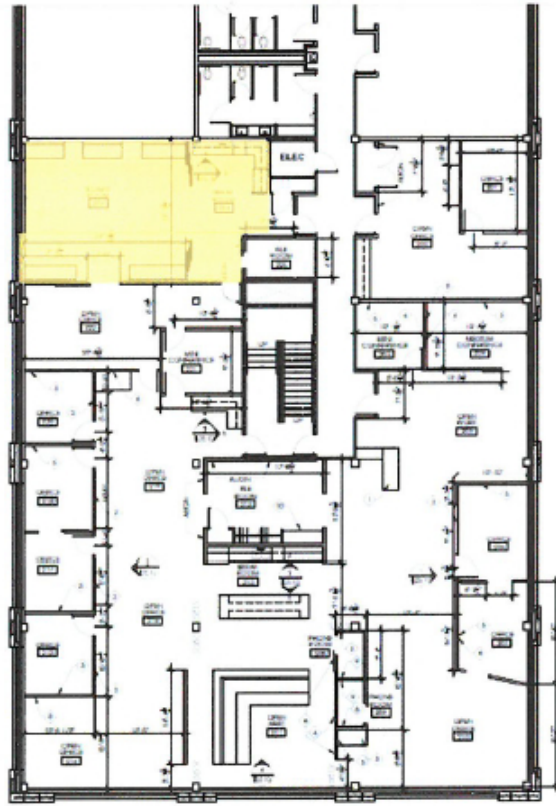
**Hudson Conference Room**

1 large conference table

1 desk with castors

14 blue chairs

**EXHIBIT C**  
**HUDSON CONFERENCE ROOM**



**COLUMBIA TECH CENTER**

**LEASE**

**BY AND BETWEEN**

**COLUMBIA TECH CENTER, L.L.C.,  
a Washington limited liability company**

**AND**

**ABSCI CORPORATION,  
a Delaware corporation**

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## LEASE

For valuable consideration, Landlord and Tenant hereby covenant and agree as follows:

### 1. Basic Lease Terms.

1.1. Effective Date of Lease. Notwithstanding any provision to the contrary contained herein, the provisions of this Lease shall be effective on that date as of which both Landlord and Tenant have executed this Lease as shown next to the respective signatures below (the "Effective Date").

1.2. Landlord. Columbia Tech Center, L.L.C., a Washington limited liability company ("Landlord").

Address for Payment of Rent: Columbia Tech Center, L.L.C.  
Unit 37 - ctc685 abscicor  
P.O. Box  
4800 Portland, OR 97208-4800  
*(The unit number must be listed on a separate line from the PO Box.)*

Address For Notices: Columbia Tech Center, L.L.C.  
Attn: R/E Counsel — ctc685 abscicor  
15350 S.W. Sequoia Parkway, Suite 300  
Portland, OR 97224

Additional Contact Information: Telephone: (503) 624-6300  
Facsimile: (503) 624-7755

1.3. Tenant. AbSci Corporation, a Delaware corporation ("Tenant").

Trade Name: None.

Address Before  
Commencement Date: AbSci Corporation  
101 E. 6th Street, Suite 350  
Vancouver, WA 98660

Address for Invoices  
After Commencement Date: AbSci Corporation  
18105 S.E. Mill Plain Boulevard, Suite 100  
Vancouver, WA 98683

Address for Notices  
After Commencement Date: AbSci Corporation  
18105 S.E. Mill Plain Boulevard, Suite 100  
Vancouver, WA 98683

Additional Contact Information: Telephone: (360)949-1041

Taxpayer ID Number: 85-3383487

1.4. Building. The approximately 77,974 square foot building shown on the attached Exhibit A (the "Building"), also known as Building 685.

1.5. Premises; Premises Area. Suite 100 of the Building located at the address commonly known as 18105 S.E. Mill Plain Boulevard, Vancouver, Washington 98683 as generally shown on the attached Exhibit B (the "Premises"). The Premises shall consist of approximately 61,607 square feet of office, laboratory and warehouse space (the "Premises Area").

1.6. Outside Area. All areas and facilities within the Park (as defined below) not appropriated to the exclusive occupancy of tenants, including all non-reserved vehicle parking areas, traffic lanes, driveways, sidewalks, pedestrian walkways, landscaped areas, signs,





service delivery facilities, truck maneuvering areas, trash disposal facilities, common storage areas, common utility facilities and all other areas for non-exclusive use (the "Outside Area"). Landlord reserves the right to change, reconfigure or rearrange the Outside Area and to do such other acts in and to the Outside Area as Landlord deems necessary or desirable; provided, however, that any such change, reconfiguration or rearrangement shall not materially and adversely affect Tenant's access to or from the Premises, cause Tenant to be in violation of Applicable Laws, or Tenant's parking rights under this Lease.

1.7. Park. The project in which the Premises and Building are located (and which includes the Premises and Building) is commonly known as Columbia Tech Center (the "Park"), as shown on Exhibit A. The Park is subject to those certain Covenants, Conditions and Restrictions for Columbia Tech Center more particularly described in Paragraph 1.13 below.

1.8. Permitted Use. Tenant shall use the Premises only for general office, laboratory, manufacturing, research and development, and warehouse use, including but not limited to research and development and manufacturing of biopharmaceuticals, biotherapeutics, biotechnology, biomedical technology, bioprocessing technology, and biomanufacturing technology and operation of biomanufacturing, biochemical and chemical laboratories (the "Permitted Use").

1.9. Lease Term.

1.9.1. Commencement Date. The date as of which Landlord delivers the Premises to Tenant pursuant to Paragraph 2.2, which date is estimated to be December 14, 2020 (the "Commencement Date"). Landlord shall deliver the Premises to Tenant within two (2) business days after Tenant's delivery to Landlord of an insurance certificate evidencing required coverages and the Letter of Credit.

1.9.2. Rent Commencement Date. Tenant shall commence payment of Base Rent on the earlier of (i) substantial completion of the Tenant Improvements (as defined in Paragraph 2.3) or (ii) April 1, 2021 (the "Rent Commencement Date").

1.9.3. Expiration Date. The Lease Term shall expire approximately sixty-one (61) full calendar months following the Rent Commencement Date (the "Expiration Date"), subject to Paragraph(s) 1.10.2 and 24.1.

1.9.4. Initial Term. The "Initial Term" shall be for the period between the Commencement Date and the Rent Commencement Date and sixty-one (61) full calendar months plus any First Partial Month following the Rent Commencement Date.

1.10. Base Rent. Subject to Paragraphs 1.10.2 and 4.1, monthly payments of base rent ("Base Rent") from and after the Rent Commencement Date shall be according to the following schedule:

<b>Period of Time</b>	<b>Monthly Base Rent</b>
Month 1:	\$0.00
Months 2 through 12:	\$110,379.21
Months 13 through 24:	\$113,690.58
Months 25 through 36:	\$117,101.30
Months 37 through 48:	\$120,614.34
Months 49 through 60:	\$124,232.77
Month 61:	\$127,959.75

1.10.1. Base Rent for First Partial Month. If the Rent Commencement Date does not occur on the first day of a month (such month being referred to herein as the "First Partial Month"), Tenant shall pay Base Rent for the First Partial Month equal to One Hundred Ten Thousand Three Hundred Seventy-Nine and 21/100 Dollars (\$110,379.21), prorated to reflect the number of days during the First Partial Month.

1.10.2. Actual Dates and Monthly Base Rent Schedule. Upon determination of the Commencement Date and the Rent Commencement Date, Landlord and Tenant shall execute and deliver a Confirmation of Commencement Date Letter". Such Confirmation of Commencement Date Letter shall establish and confirm the actual Commencement Date, Rent Commencement Date, Expiration Date and the dates for the monthly Base Rent schedule set forth in Paragraphs 1.9 and 1.10, respectively, of this Lease. Tenant shall execute and deliver the Confirmation of Commencement Date Letter to Landlord within fifteen (15) days following receipt of written request from Landlord. The Confirmation of Commencement Date Letter shall

thereupon modify and be incorporated into this Lease. Notwithstanding Paragraph 23.7 of this Lease, Landlord may deliver the Confirmation of Commencement Date Letter to Tenant by regular U.S. Mail.

1.10.3. Abated Base Rent; Rights Personal to Tenant. This Lease provides for one (1) full calendar month of "free" rent in the amount of One Hundred Ten Thousand Three Hundred Seventy-Nine and 21/100 Dollars (\$110,379.21) for the first full calendar month following the Rent Commencement Date (hereinafter referred to as the "Abated Base Rent"). In the event of termination of this Lease due to a default by Tenant of any of the terms hereof, the unamortized portion of the Abated Base Rent (amortized over the Initial Term on a straight line basis without interest) shall immediately become due and payable and this Lease shall be enforced as if there were no such rent abatement or other rent concessions. Tenant's right to the Abated Base Rent is personal to AbSci, LLC ("AbSci") and may not be assigned or otherwise transferred by AbSci in connection with any assignment of this Lease other than an assignment in connection with a Permitted Transfer or a sublease of all or part of the Premises occurring after the Initial Term of this Lease, and Tenant's right to the Abated Base Rent may not be exercised by anyone other than AbSci or the transferee in connection with an assignment pursuant to a Permitted Transfer or such a sublease. Other than an assignment pursuant to a Permitted Transfer or such a sublease, any attempted assignment of Tenant's rights in this Paragraph 1.10.3 shall be of no effect and shall terminate these rights as of the effective date of the assignment or other transfer.

1.11. Security Deposit. None However, Tenant shall provide a Letter of Credit in accordance with Paragraph 5.2.

1.12. Tenant's Proportionate Shares. Subject to Paragraph 8.2, (i) Tenant's initial proportionate share for Taxes (as defined in Paragraph 8.3) is 79.01%, and (ii) Tenant's initial proportionate share for Operating Expenses (as defined in Paragraph 8.4) is 79.01%.

1.13. CC&Rs. For purposes of this Lease, the term "CC&Rs" shall mean, collectively, the following documents, all of which are recorded in the official records of Clark County, Washington: (i) Master Declaration of Protective Covenants, Conditions, Restrictions and Easements for Columbia Tech Center by Columbia Tech Center, L.L.C., a Washington limited liability company (for purposes of this Paragraph 1.13 only, "CTC") and Reed Abney Revard, L.L.C., a Washington limited liability company, recorded on January 17, 1997 as Instrument No. 9701170005 as amended by (A) Amendment to Master Declaration of Protective Covenants, Conditions, Restrictions and Easements for Columbia Tech Center by Columbia Tech Center Master Association, a Washington nonprofit corporation (the "Association"), recorded on August 13, 2002 as Instrument No. 3500189, (B) Second Amendment to Master Declaration of Protective Covenants, Conditions, Restrictions and Easements for Columbia Tech Center by the Association, recorded on August 13, 2002 as Instrument No. 3500390, and (C) Third Amendment to Master Declaration of Protective Covenants, Conditions, Restrictions and Easements for Columbia Tech Center by the Association, recorded on November 22, 2004 as Instrument No. 3910991), collectively, the "Master Covenants"); and (ii) that certain Development Agreement by and between CTC and the City of Vancouver, Washington, a Washington municipal corporation (the "City"), recorded on April 3, 2001 as Instrument No. 3305320 (as amended by (A) Addendum to Columbia Tech Center Development Agreement by CTC, Clark Community College District No. 14 Foundation, a Washington nonprofit corporation and the City, recorded on March 26, 2003 as Instrument No. 3608344, (B) Second Addendum to Columbia Tech Center Development Agreement by CTC and the City, recorded on July 2, 2003 as Instrument No. 3667929, (C) Third Addendum to Columbia Tech Center Development Agreement by CTC and the City, recorded on July 15, 2005 as Instrument No. 4017454, (D) Fourth Addendum to Columbia Tech Center Development Agreement by CTC and the City, recorded on April 25, 2016 as Instrument No. 5277173), and (E) Fifth Addendum to Columbia Tech Center Development Agreement by CTC and the City recorded on January 22, 2018 as Instrument No. 5497449, collectively, the "Development Agreement"), as such CC&Rs may be amended and/or supplemented from time to time.

1.14. Landlord's Work. Those improvements to the Premises to be constructed by Landlord pursuant to Paragraph 2.2 below ("Landlord's Work").

1.15. Guarantor(s). None.

This lease (this "Lease") is entered into by Landlord and Tenant as of the Effective Date set forth in the Basic Lease Terms.

## **2. Delivery of Possession and Commencement; Landlord's Work; Tenant Improvements.**

2.1. Delivery. Landlord shall deliver the Premises to Tenant within two (2) business days after Tenant's delivery to Landlord of an insurance certificate evidencing required coverages and the Letter of Credit.

2.2. Landlord's Work; As-Is. The Premises shall be delivered to Tenant prior to Landlord's Work as set forth in the attached Exhibits C-1 and C-2 (as used herein, "Landlord's Work") being substantially completed; specifically, the Landlord's Work identified on Exhibit C-3 (the "Concurrent Landlord's Work") is not expected to be substantially completed at the time of delivery. All other Landlord's Work is substantially completed as of the Effective Date of this Lease. The Concurrent Landlord's Work shall be completed not later than February 1, 2021, subject to any delays caused by Tenant or its employees, agents or contractors and any delays beyond Landlord's reasonable control; in no event shall the Rent Commencement Date occur before the Concurrent Landlord's Work is substantially complete. Landlord and Tenant shall cooperate and coordinate in good faith to complete the Landlord's Work and Tenant's Improvements efficiently and with the objective of allowing Tenant to commence operations in the Premises as soon as possible. Tenant hereby acknowledges that Tenant has inspected the Premises and, subject to the performance of Landlord's Work, agrees to accept the same "AS IS" and in their condition following the completion of Landlord's Work, and without any representation or warranty by or from Landlord as to the condition of the Premises, the habitability of the Premises, the fitness of the Premises for the Permitted Use and/or the conduct of Tenant's business in the Premises, or the zoning of the Premises. Following the completion of Landlord's Work, the parties shall complete a joint inspection of the Landlord's Work and document any deficiencies in the Landlord's Work in a punchlist. The existence of any "punchlist" type items shall not postpone the timelines set forth in this Lease, but Landlord shall resolve any such items as soon as reasonably practicable.

2.2.1. Landlord has agreed to construct Landlord's Work without additional charge to Tenant. However, if Tenant requests any changes with respect to Landlord's Work as set forth in Exhibits C-1 and C-2 all additional costs incurred or to be incurred in connection with such changes must be paid to Landlord in full in immediately available funds by Tenant, and such payments must be made by Tenant within ten (10) days following Landlord's written request therefor.

2.3. Tenant Improvements. Tenant shall make certain alterations, additions or improvements to the Premises in accordance with plans and specifications to be reviewed and approved by Landlord as set forth in Paragraph 6.5 and this Paragraph 2.3 (as used herein, the "Tenant Improvements"), at its sole cost and expense (subject to the TI Allowance described below in Paragraph 2.3.1). Landlord may, but shall not be required to, supervise such Tenant Improvements at no cost to Tenant and shall have full access to the Premises in connection with such supervision following notice to Tenant in accordance with Paragraph 23.7 below, provided that Landlord shall coordinate any such access with Tenant in advance to minimize adverse impacts on Tenant's construction activities in and about the Premises. Prior to commencing construction of any Tenant Improvements, Tenant shall provide a copy of Tenant's preliminary plans and specifications for the Tenant Improvements (collectively, "Tenant's Preliminary Plans") to Landlord for Landlord's review and approval. The Tenant's Preliminary Plans shall comply with the Standard Specifications for Tenant Spaces as set forth in Exhibit D attached hereto. Landlord shall, within ten (10) days after receipt thereof, either provide comments to or approve Tenant's Preliminary Plans; provided, however, that Landlord shall not withhold approval to the Tenant's Preliminary Plans to the extent that they are consistent with Exhibit D, the space plan attached as Exhibit C-4 ("Space Plan"), and Exhibit C-5 in all material respects. If Landlord does not respond within ten (10) days after Landlord's receipt of Tenant's Preliminary Plans with either Landlord's approval of such plans or reasons for disapproval of such plans, Tenant may send Landlord a reminder notice, and if Landlord has still not responded within five (5) business days after its receipt of such reminder notice, then Landlord shall be deemed to have approved Tenant's Preliminary Plans. If Landlord provides Tenant with comments to Tenant's Preliminary Plans, Tenant shall provide revised Tenant's Preliminary Plans to Landlord incorporating Landlord's comments. Landlord shall either provide comments to such revised Tenant's Preliminary Plans within five (5) business days or approve them. The process described above shall be repeated, if necessary, until Tenant's Preliminary Plans for the Tenant Improvements have been finally approved by Tenant and Landlord (upon such approval, the "Tenant's Final Plans"). In the event Landlord reviews multiple drafts of the Tenant's Preliminary Plans, Landlord shall not withhold approval in subsequent drafts to aspects of the Tenant's Preliminary Plans regarding which Landlord did not comment in the immediately preceding draft. Tenant

agrees that it shall not commence construction of the Tenant Improvements or any portion thereof until Tenant's Final Plans have been finally approved by Landlord. Landlord approves Bremik Construction as Tenant's contractor for construction of the Tenant Improvements.

2.3.1. TI Allowance.

(i) Provided Tenant is not in default under this Lease beyond any applicable cure periods (or if Tenant is then in default, upon Tenant's cure of any such default) and subject to the provisions of this Paragraph 2.3.1, Landlord will pay Tenant an improvement allowance of up to Two Million Four Hundred Sixty-Four Thousand Two Hundred Eighty and No/100 Dollars (\$2,464,280.00) to contribute toward the payment of the actual, out-of-pocket costs incurred by Tenant for any hard and soft costs associated with the Tenant Improvements (collectively, the "Costs"), including space planning, construction drawings, permitting and construction costs to construct such Tenant Improvements to the Premises (the "TI Allowance"), disbursed in a series of disbursements (the "Interim Disbursements"), not more frequently than once per month, to reimburse Tenant for amounts paid by Tenant for the Costs of the Tenant Improvements; provided, however, that Landlord will not be required to disburse more than ninety-five percent (95%) of the TI Allowance prior to completion of the Tenant Improvements. Interim Disbursements will be made by Landlord based on receipt by Landlord of a written request to reimburse Costs previously paid and shall be paid by Landlord within thirty (30) days after: (A) Tenant has paid for those sums, costs and expenses due for, or purporting to be due for, that portion of work, labor, services, materials, supplies or equipment furnished or claimed to be furnished to or for, or in connection with, the completed portion of the Tenant Improvements, has obtained conditional lien waivers from all contractors and materialmen with contracts for amounts in excess of Twenty Five Thousand Dollars (\$25,000.00) ("Major Contractors"), and has provided Landlord with copies of such paid invoices and lien waivers from all Major Contractors; and (B) Tenant has provided Landlord with copies of invoices and/or receipts evidencing the amount to be reimbursed up to the full amount of the relevant Interim Disbursement.

(ii) Upon completion by Tenant of all of the Tenant Improvements in accordance with Tenant's Final Plans and all Applicable Laws and all permit requirements and otherwise in compliance with all provisions of Paragraph 6.5, Landlord shall pay to Tenant the remaining portion of the TI Allowance not previously paid to Tenant; such remaining portion of the TI Allowance shall be paid by Landlord within thirty (30) days after: (A) Tenant has paid for all sums, costs and expenses due for, or purporting to be due for, any work, labor, services, materials, supplies or equipment furnished or claimed to be furnished to or for, or in connection with, the Tenant Improvements, has obtained unconditional lien waivers from all parties providing such work, labor, services, materials, supplies, or equipment, and has provided Landlord with copies of such paid invoices and lien waivers; (B) Tenant has provided Landlord with copies of invoices and/or receipts evidencing the amount to be reimbursed up to the full amount of the remaining portion of the TI Allowance not previously paid to Tenant; (C) Tenant has provided Landlord with all the following project closeout documentation: (aa) as-built drawings in both AutoCAD and pdf format to include architectural, structural, civil, landscape, HVAC, plumbing, electrical, fire sprinkler, and fire alarm; (bb) operations and maintenance manuals; (cc) any general contractor and subcontractor warranty letters, and (dd) a contractor list with all applicable general contractor and subcontractor names and contact information; and (D) Tenant has opened for business for the Permitted Use in substantially the entire Premises.

2.3.2. Landlord's payment to Tenant hereunder on account of the Tenant Improvements shall not be deemed Landlord's approval or acceptance of any portion of the work furnished or materials supplied as set forth in Tenant's payment request. Notwithstanding any provision to the contrary set forth herein, to the extent Tenant has not submitted to Landlord all required information and documentation for any costs for which the TI Allowance may be used as reimbursement on or prior to the first anniversary of the Commencement Date of this Lease, Tenant's right to receive any so unclaimed portion of the TI Allowance shall terminate, the provisions of Paragraph 2.3.1 shall be of no further force or effect and Landlord shall have no further obligations whatsoever under Paragraph 2.3.1. Except for Landlord's obligation to pay the TI Allowance as provided herein, all costs of all Tenant Improvements shall be borne by Tenant.

2.3.3. Subject to Paragraph 2.3, Tenant shall have the right to install as part of the Tenant Improvements, (a) a security system including video monitoring equipment and alarms, provided that any video monitoring equipment shall be located within and only with a view of the Premises and/or access doors leading from common areas into the Premises; and (b) an access control system using keycards, which may be (but is not required to be) integrated into the base Building access card system at Tenant's cost. Notwithstanding anything to the

contrary herein, Tenant shall remove its security and access control systems upon termination of this Lease and restore all damage caused thereby.

2.3.4. Landlord acknowledges and agrees that Tenant shall have the right to, as part of the Tenant Improvements, subject to Landlord's review and approval of plans and specifications pursuant to Paragraph 2.3 above, perform certain improvements outside the Premises, including but not limited to installation of the Generator, installation of the Rooftop Equipment, construction of a loading area as shown on the Space Plan, and landscaping, hardscaping, and other improvements in the common area courtyard serving the Building as shown on the Space Plan.

### **3. Lease Term; Early Entry.**

The term of this Lease shall commence on the Commencement Date and expire on the Expiration Date (the "Lease Term"). If Tenant enters the Premises prior to the Commencement Date with Landlord's prior written consent ("Early Entry"), the Expiration Date shall be unchanged by such Early Entry. All provisions of this Lease shall be in effect from the date of Early Entry; however, Base Rent, Operating Expenses and Taxes shall be abated until the Rent Commencement Date. Tenant shall be responsible for the costs of all utilities from the date of such Early Entry.

### **4. Rent Payment.**

4.1. Base Rent; Additional Rent. During the Lease Term, Tenant shall pay to Landlord the Base Rent for the Premises set forth in the Basic Lease Terms and all amounts other than Base Rent that this Lease requires ("Additional Rent") without demand, deduction or offset, except as otherwise specifically provided in this Lease. Payment shall be made in U.S. currency by checks payable to Landlord and mailed to the address for rent payments as set forth above or as otherwise may be designated in writing by Landlord. Simultaneous with Tenant's execution and delivery of this Lease to Landlord, Tenant shall pay the Base Rent for the first full month of the Lease Term for which Base Rent is due in the amount of One Hundred Ten Thousand Three Hundred Seventy-Nine and 21/100 Dollars (\$110,379.21). In the event of a First Partial Month, Tenant shall pay Base Rent for such First Partial Month, calculated pursuant to Paragraph 1.10.1, within five (5) days following receipt of Landlord's invoice therefor. Thereafter, Base Rent and Additional Rent shall be payable in advance on the first day of each month during the Lease Term without demand. Base Rent and Additional Rent for any partial month during the Lease Term shall be prorated to reflect the number of days during the relevant month. Payment by Tenant or receipt by Landlord of any amount less than the full Base Rent or Additional Rent due from Tenant, or any disbursement or statement on any check or letter accompanying any check or rent payment, shall not in any event be deemed an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rental or pursue any other remedy provided in this Lease.

4.2. Lockbox Payments. If Landlord directs Tenant to pay Base Rent, Additional Rent or other charges under this Lease to a "lockbox" or other depository whereby checks issued in payment of such items are initially cashed or deposited by a person or entity other than Landlord (albeit on Landlord's authority) then, for any and all purposes under this Lease: (i) Landlord shall not be deemed to have accepted such payment until five (5) days after the date on which Landlord shall have actually received such funds, (ii) Landlord shall be deemed to have accepted such payment if (and only if) within said five (5)-day period, Landlord shall not have refunded (or attempted to refund) such payment to Tenant and (iii) Landlord shall not be bound by any endorsement or statement on any check or any letter accompanying any check or payment and no such endorsement, statement or letter shall be deemed an accord and satisfaction. Nothing in this Paragraph 4.2 shall require Tenant to pay Base Rent or Additional Rent prior to the first day of the month as set forth in Paragraph 4.1 above and the date upon which the funds are received by the "lockbox" shall be the date upon which Landlord receives the funds for the purposes of determining whether Tenant is in default under Paragraph 15.1.1(i) or whether interest or late fees are due pursuant to Paragraph 23.2 hereof. Landlord or Landlord's bank may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy provided in this Lease, at law or in equity. Landlord may change the "lockbox" address at any time during the Lease Term by providing Tenant with fifteen (15) days prior written notice.

### **5. Security Deposit; Letter of Credit.**

5.1. Security Deposit. No security deposit is required in connection with this Lease, and Tenant has not deposited any amounts as a security deposit with Landlord.

## 5.2. Letter of Credit.

5.2.1. Description. To secure performance by Tenant under this Lease, Tenant agrees to provide to Landlord, within three (3) business days of the Effective Date of this Lease, an irrevocable standby letter of credit issued by Western Alliance Bank. The letter of credit shall be substantially in the form attached as Exhibit H. If a renewal or replacement letter of credit is required hereunder, Tenant shall provide such renewal or replacement letter of credit in the same form. The letter of credit required hereunder from time to time is referred to as the "Letter of Credit". Tenant shall cause the Letter of Credit to meet the following requirements.

(i) Term. The term of the Letter of Credit shall not have a final expiration date (e.g., without any further automatic renewal) earlier than the Expiration Date of this Lease.

(ii) Amount. The amount of the Letter of Credit shall be One Million and No/100 Dollars (\$1,000,000.00).

(iii) Draws. The Letter of Credit shall expressly allow for Landlord to draw all or any part of the amount of the Letter of Credit. The Letter of Credit shall state that Landlord may draw the same at the office of the issuing bank located in Portland, Oregon, and shall specify the address of the same.

(iv) Assignment. The Letter of Credit shall specifically allow for assignment by Landlord of the Letter of Credit or its proceeds, absolutely or for security purposes, without payment of any fee or other conditions.

(v) Payment. The Letter of Credit shall state that Landlord shall have the right to draw the full amount of the Letter of Credit or any part of such amount, and that such amount shall be immediately paid to Landlord, upon presentation by Landlord to the issuing bank of a letter from Landlord stating that Landlord is authorized under this Lease to draw such amount. No other or further condition to payment shall be stated in the Letter of Credit nor shall apply to the Letter of Credit.

(vi) Issuer. The Letter of Credit shall be issued by a bank reasonably acceptable to Landlord. Tenant shall obtain the prior written approval of Landlord with respect to the issuer.

5.2.2. Right to Draw Funds. Landlord shall have the right to draw upon the Letter of Credit if a default occurs under this Lease beyond applicable notice and cure periods to pay amounts owed by Tenant under this Lease, including but not limited to amounts necessary to cure such default, and to compensate Landlord for damages arising from or related to such default. Landlord shall also have the right to draw upon the Letter of Credit in the event a failure by Tenant occurs which would constitute a default after Landlord gives to Tenant notice of such failure and/or a time period to cure such failure expires, but, by reason of Tenant being or becoming a debtor in a bankruptcy proceeding, (a) Landlord is unable to give such notice, or (b) the cure period will expire after Tenant becomes a debtor in such bankruptcy proceeding.

5.2.3. Proceeds. In the event funds represented by the Letter of Credit are paid to Landlord, Landlord shall have the right to use such proceeds to correct any default by Tenant and/or to compensate Landlord for any damages related to such default; any remaining proceeds shall be promptly released to Tenant. Tenant shall immediately provide a replacement Letter of Credit in the amount drawn under the Letter of Credit. Tenant shall have no right to direct the application of any proceeds of any Letter of Credit. No drawing of the Letter of Credit nor application of any proceeds drawn, and no acceptance of a replacement Letter of Credit, shall be a waiver of any event of default by Tenant nor a waiver of any other right or remedy of Landlord.

5.2.4. Letter of Credit Failures. The following events shall each be a default not subject to any notice, grace, or cure provisions of this Lease, except as expressly set forth in this Paragraph 5.2.4. If any such default occurs, Landlord shall be entitled, without waiver of the default or of other rights or remedies, following twenty-four (24) hours' notice to Tenant, to exercise all remedies for such default, including the right to draw upon any Letter of Credit immediately. Tenant shall, within five (5) days of any such draw, provide a replacement Letter of Credit. Such defaults are:

(i) The bank issuing the Letter of Credit becomes insolvent, closes, is placed under regulatory supervision, or receives a lower rating than is the case at the time Landlord approves such bank as the issuer.

(ii) Tenant fails to deliver the Letter of Credit or any renewal or replacement Letter of Credit as and when required.

(iii) Tenant delivers any Letter of Credit which does not conform strictly to the requirements of this Lease.

(iv) In the event Landlord separately consents to a Letter of Credit with an expiry earlier than that otherwise required hereunder, such Letter of Credit shall provide that the same shall automatically renew for one year periods until at least the expiry required hereunder unless the bank gives written notice of nonrenewal at least sixty (60) days prior to an annual renewal date; in the event the bank gives such notice of nonrenewal, the same shall be a default hereunder.

(v) In the event Landlord separately consents to a Letter of Credit with an expiry as otherwise required hereunder but which states that notice of early expiration of the Letter of Credit may be given, then such Letter of Credit shall require at least sixty (60) days' prior written notice to Landlord of early expiration, which notice shall be effective only upon an anniversary of the issuance date of the Letter of Credit, which anniversary must occur on or after the sixtieth day following the giving of such notice of early expiration. If any such notice of early expiration shall be given by the bank, the same shall be a default hereunder.

## **6. Use of the Premises; Hazardous Substances.**

6.1. Permitted Use. The Premises shall be used for the Permitted Use set forth in the Basic Lease Terms and for no other purpose without Landlord's prior written consent which may be withheld in Landlord's sole and absolute discretion.

6.2. Compliance with Applicable Laws and Requirements. In connection with its use, Tenant (i) shall at its expense comply with the CC&Rs, all applicable laws, ordinances, regulations, codes and orders of any governmental or other public authority including without limitation, any and all Environmental Laws as defined in Paragraph 6.6.7 and the Americans with Disabilities Act of 1990 (collectively, together with any supplements or modifications thereto, "Applicable Laws"), and also including, without limitation, those requiring alteration of the Premises because of Tenant's specific use (as opposed to general office use) or required pursuant to Paragraph 6.6; (ii) shall create no nuisance nor allow any objectionable liquid, odor, or noise to be emitted from the Premises; (iii) shall store no gasoline or other highly combustible materials on the Premises which would violate any applicable fire code or regulation nor conduct any operation that shall increase Landlord's fire insurance rates for the Premises, the Building or the Park; (iv) shall not invalidate or impair any roof warranty; (v) shall not overload the walls, ceilings floors or electrical circuits of the Premises or Building; (vi) shall not permit anything to be done in the Premises or elsewhere in the Building or the Park in any manner that causes injury to the Premises, the Building or the Park or any equipment, facilities or systems therein; and (vii) shall not allow any pets or animals on the Premises, except for dogs and service animals (subject to Paragraph 6.2.1). Tenant, at Tenant's sole cost and expense, shall obtain and maintain any and all permits and licenses required in order for Tenant to operate the Permitted Use in the Premises. Tenant shall not install any machinery or equipment which may exceed the Maximum Floor Load of the Premises without Landlord's prior written consent; without limiting the foregoing, such consent may be conditioned upon Tenant retaining at Tenant's sole cost and expense a qualified engineer or architect selected by Landlord whose opinion shall control regarding floor loads. Allowable ground floor load (the "Maximum Floor Load") is five hundred (500) pounds per square foot; installation of machinery or equipment having a floor load less than the Maximum Floor Load shall not require Landlord's consent.

6.2.1. Dogs are permitted in the Premises and common areas only if on a leash, currently licensed and fully inoculated as required by law. Dogs that engage in any threatening behavior, either to persons or other dogs, may be excluded from the Building and/or Park. All damage caused by any dog will be the responsibility of the Tenant. Tenant will make best efforts to ensure that its employees' dogs do not deposit any waste in or around the Building or Outside Area. Landlord reserves the right to exclude any dog from the Building.

6.3. Storage. Without limiting the foregoing and subject to Paragraph 6.5, Tenant, at Tenant's sole cost and expense, shall make such alterations and additions to the Premises and the Building required due to Tenant's racking configuration and storage of products within the Premises. Such alterations and additions to the Premises may be required for compliance with applicable building and fire codes, and may include, without limitation, installation of fire rated separation walls, fire sprinkler system upgrades, racking sprinklers, smoke vents, curtain boards, small hose stations, seismic bracing for storage racking and firefighter entrances.

6.4. Signage. Landlord shall, at its sole cost and expense, provide Building standard directory and suite signage. Tenant, at Tenant's sole cost and expense, may install exterior signage on the Building in the locations shown on the Space Plan and Exhibit C-5 (or other locations agreed to by Landlord and Tenant in writing) and as generally shown on Exhibit C-5. Tenant shall not erect any other exterior signage without Landlord's prior written consent; provided, however, that Landlord shall not unreasonably withhold consent to a substantially similar replacement sign in the event that Tenant's name, wordmark, or branding changes. All signage and the installation and maintenance thereof shall comply with all Applicable Laws, the CC&Rs and Landlord's then current signage criteria for the Building and/or Park. No signs shall be painted on the Building or exceed the height of the Building. All signs installed by Tenant shall be removed, at Tenant's sole cost and expense, upon expiration or earlier termination of this Lease with the sign location restored to its former state.

6.5. Alterations. Other than the Tenant Improvements, Tenant shall make no further alterations, additions or improvements (sometimes referred to in this Paragraph collectively as "Alterations") to the Premises without Landlord's prior written consent as provided herein and without a valid building permit issued by the appropriate governmental agency. Tenant shall submit to Landlord, for Landlord's written approval, a written description of the Alterations that Tenant proposes to perform, all applications for permits for such Alterations, detailed plans and specifications for Alterations constituting Major Alterations, and such other information regarding the intended Alterations as Landlord may reasonably require, and no request for Landlord's consent to Alterations shall be deemed complete until such information is delivered. To the extent that any alterations, additions or improvements to the Premises constitute "Major Alterations" (as defined below), Landlord may withhold its consent in Landlord's sole and absolute discretion; otherwise, Landlord's consent to any alterations, additions or improvements to the Premises other than Major Alterations shall not be unreasonably withheld, conditioned or delayed. As used herein, "Major Alterations" shall mean any alterations, additions or improvements (i) which are visible from outside the Premises and/or Building (including design and aesthetic changes), and/or (ii) to the exterior of the Building, the roof of the Building, the heating, ventilation and/or air conditioning systems serving the Premises, the fire sprinkler, plumbing, electrical, mechanical and/or any other systems serving the Premises, any interior, load-bearing walls, the foundation and/or the slab of the Building. Tenant shall notify Landlord in writing at least fifteen (15) days prior to commencement of any work to enable Landlord to post a Notice of Non-Responsibility or other notice deemed proper before the commencement of work. Any and all such alterations, additions or improvements shall comply with all Applicable Laws including, without limitation, obtaining any required permits or other governmental approvals. In addition, all Alterations shall be performed only by licensed contractors and subcontractors and shall be performed in strict compliance with all permits, any plans and specifications approved by Landlord, and all conditions to Landlord's approval. Tenant shall cause its contractors and subcontractors to maintain insurance reasonably acceptable to Landlord. Upon termination of this Lease, any alterations, additions and improvements (including without limitation all electrical, lighting, plumbing, heating and air-conditioning equipment, doors, windows, partitions, drapery, carpeting, shelving, counters, and physically attached fixtures) made by Tenant shall at once become part of the realty and belong to Landlord unless the terms of the applicable consent provide otherwise, or unless at the time of the applicable consent Landlord requests that part or all of the additions, alterations or improvements be removed. In such case, Tenant, at its sole cost and expense, shall promptly remove the specified additions, alterations or improvements and shall fully repair and restore the relevant portion(s) of the Premises to the condition in which Tenant is otherwise required to surrender the Premises under Paragraph 17.1. Notwithstanding the foregoing or anything in this Lease to the contrary, with respect to the Tenant Improvements and subsequent Alterations (unless Landlord's applicable consent provides otherwise), Tenant shall only be required to remove alterations, additions and improvements that are not consistent with general office use (including, without limitation, laboratory related alterations, additions and improvements and restore the applicable portions of the Premises to their original condition upon termination of this Lease.

6.5.1. Notwithstanding anything herein to the contrary, Tenant shall have the right to make interior, non-structural Alterations not exceeding Fifty Thousand Dollars (\$50,000.00) in the aggregate without Landlord's consent; provided, however, that Tenant shall give Landlord written notice (including a detailed description) of any such Alterations at least thirty (30) days prior to the commencement of construction thereof to allow Landlord to elect under Paragraph 6.5 whether such Alterations will be required to be removed upon the expiration or earlier termination of this Lease.



6.5.2. Electrical Upgrade. Subject to Paragraphs 6.5 and 24.6.2, Tenant shall have the right to (a) upgrade the electrical capacity of the Premises and Building to accommodate Tenant's activities in the Premises, at Tenant's sole cost and expense, by installing a new 1200A switchgear in the southwest electrical room; and (b) install standby power switches in the southwest electrical room.

6.5.3. Cabling. Tenant shall not install or cause to be installed any cabling or wiring (collectively, "Cabling") without the prior written consent of Landlord as provided in Paragraph 6.5. Any installation of Cabling shall be performed pursuant to Paragraph 6.5, shall meet the requirements of the National Electrical Code (as may be amended from time to time), and shall comply with all Applicable Laws. On or prior to the expiration or earlier termination of this Lease, Tenant, at Tenant's sole cost and expense, shall remove all Cabling so installed by or on behalf of Tenant unless Landlord, in its sole and absolute discretion, elects in writing to waive this requirement (which election shall be made, at Tenant's request, at the time of installation). Any Cabling removed by Tenant shall be disposed of by Tenant, at Tenant's sole cost and expense, in accordance with all Applicable Laws. Installation of Cabling shall not constitute a Major Alteration. In connection with an approved Cabling installation, Tenant, any Tenant Parties and/or Tenant's telecommunications provider shall, at no additional cost to Tenant, be permitted nonexclusive access to the Building's riser system or alternative space in the Building (which alternative space shall be reasonably acceptable to Tenant and its telecommunications provider).

6.5.4. Reception Desk. Tenant shall have the right, at its sole risk, to place and staff a reception desk (including a free-standing desk reasonably approved by Landlord, computer and telephone equipment, and a sign reasonably acceptable to Landlord) in the west lobby of the Building. Tenant acknowledges that the west lobby is a common area and not for Tenant's exclusive use, Landlord shall have no duty to safeguard such personal property, and it is possible that a loss to such personal property could occur due to theft, damage, or otherwise, and that should any such loss occur, Tenant will not consider Landlord responsible for said loss nor will Tenant seek to recover damages from Landlord for said loss. Tenant shall remove its personal property from the west lobby area upon termination of this Lease and repair all damage caused thereby.

#### 6.6. Hazardous Substances.

6.6.1. Use of Hazardous Substances. Tenant shall not cause or permit any Hazardous Substances (as defined in Paragraph 6.6.7) to be spilled, leaked, disposed of or otherwise released on, under or about the Premises, the Outside Area or any other portion of the Park by Tenant, its employees, agents, contractors or invitees (each, a "Tenant Party"). Subject to the provisions of this Paragraph 6.6, (i) Tenant may use on the Premises only those Hazardous Substances necessary to satisfy Tenant's reasonable needs in connection with the Permitted Use, and (ii) Tenant may store such Hazardous Substances on the Premises, but only in quantities necessary to satisfy Tenant's reasonable needs in connection with the Permitted Use. Notwithstanding the foregoing, Tenant may use and store at the Premises small amounts of chlorinated solvents available for unregulated retail purchase (without any license, permit, approval or endorsement from any governmental entity) (a) only to the extent reasonably necessary to satisfy Tenant's reasonable needs in connection with research and development and manufacturing of biopharmaceuticals, biotherapeutics, biotechnology, biomedical technology, bioprocessing technology, and biomanufacturing technology (the "R&D Use"); (b) only in quantities necessary to satisfy Tenant's reasonable needs in connection with the R&D Use; and (c) provided that chlorinated solvents are only handled and used by trained scientific professionals utilizing due care in accordance with all Environmental Laws and industry standards applicable to the storage, handling, and use of Hazardous Substances in connection with the R&D Use. In addition to complying with Paragraph 6.2, Tenant shall exercise the highest degree of care in the use, handling and storage of Hazardous Substances and shall take all practicable measures to minimize the quantity and toxicity of Hazardous Substances used, handled or stored on the Premises. Notwithstanding anything to the contrary herein, Tenant shall have the right to use the Hazardous Substances identified on the attached Exhibit E, provided that (i) Tenant may use on the Premises only those Hazardous Substances necessary to satisfy Tenant's reasonable needs in connection with the Permitted Use, and (ii) Tenant may store such Hazardous Substances on the Premises, but only in quantities set forth on Exhibit E. Any use or storage of Hazardous Substances at the Premises shall be in compliance with all Applicable Laws, including but not limited to Environmental Laws.

6.6.2. Notice of Release. Tenant shall notify Landlord, including delivery of notice by facsimile (in addition to delivery of notice as set forth in Paragraph 23.7), immediately upon becoming aware of the following: (i) any spill, leak, disposal or other release of any

Hazardous Substances on, under or about the Premises, the Outside Area or any other portion of the Park that either Tenant or Landlord, or both, is required to report to any governmental agency; (ii) any notice or communication from a governmental agency or any other person relating to any Hazardous Substances on, under or about the Premises; or (iii) any violation of any Environmental Laws with respect to the Premises or Tenant's activities on or in connection with the Premises.

6.6.3. Spills and Releases. In the event of a spill, leak, disposal or other release of any Hazardous Substances on, under or about the Premises, the Outside Area or any other portion of the Park caused by Tenant or a Tenant Party, or the suspicion or threat of the same, Tenant shall (i) immediately undertake all emergency response necessary to contain, cleanup and remove the released Hazardous Substance(s), (ii) promptly undertake all investigatory, remedial, removal and other response action necessary or appropriate to ensure that any Hazardous Substances contamination is completely eliminated and all affected portions of the Premises, Outside Area and Park are returned to the condition that existed prior to the spill, leak, disposal or other release, all to Landlord's satisfaction, and (iii) provide Landlord copies of all information and reports (if any) related to the Hazardous Substances and this event (regardless of whether Tenant deems the same privileged or confidential), including but not limited to all correspondence with any governmental agency regarding the release (or threatened or suspected release) or the response action, a detailed report documenting all such response action, and a certification that any contamination has been eliminated. All such response action shall be performed, all such reports shall be prepared and all such certifications shall be made by an environmental consultant reasonably acceptable to Landlord.

6.6.4. Investigations. If Landlord at any time during the Lease Term (including any holdover period) reasonably believes that Tenant or a Tenant Party is not complying with any of the requirements of this Paragraph 6.6, Landlord may require Tenant to furnish to Landlord, at Tenant's sole expense and within thirty (30) days following Landlord's request therefor, an environmental audit or any environmental assessment with respect to the matters of concern to Landlord. Such audit or assessment shall be prepared by a qualified consultant acceptable to Landlord.

6.6.5. Tenant's Indemnification. Tenant shall indemnify, defend and hold harmless Landlord, its employees and agents, any persons holding a security interest in the Premises or any other portion of the Park, and the respective successors and assigns of each of them, for, from, against and regarding any and all claims, demands, liabilities, damages, fines, losses (including without limitation diminution in value and loss of use), costs (including without limitation the cost of any investigation, remedial, removal or other response action required by Environmental Laws) and expenses (including without limitation attorneys' fees and expert fees incurred in obtaining advice and incurred at and in preparation for discovery, including depositions, arbitration, trial, appeal, petition for review, administrative proceeding and any litigation or other proceedings in bankruptcy court including those involving issues unique to bankruptcy law) arising out of or in any way relating to the use, treatment, storage, generation, transport, release, leak, spill, disposal or other handling of Hazardous Substances on, under or about the Premises or the Park by Tenant or any other Tenant Party; provided, however, that Tenant shall have no liability for Hazardous Substances pre-existing the Commencement Date or brought onto the Premises, Building or Park by persons other than the Tenant Parties. Landlord's rights under this Paragraph 6.6.5 are in addition to and not in lieu of any other rights or remedies to which Landlord may be entitled under this Lease or otherwise. In the event any action is brought against Landlord by reason of any such claim, Tenant shall resist or defend such action or proceeding by counsel satisfactory to Landlord upon Landlord's demand. The obligation to indemnify, defend and hold harmless shall include, without limitation, (A) reasonable costs incurred in connection with investigation of site conditions, (B) reasonable costs of any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision with respect to Hazardous Substances, (C) diminution in value of the Premises and/or any other portion of the Park, (D) [omitted], (E) reasonable sums paid in settlement of claims, attorneys fees, consultant and laboratory fees and expert fees, and (F) the value of any loss of the use of the Premises or any other portion of the Park or any part thereof. Tenant's obligations under this Paragraph 6.6.5 shall survive the expiration or termination of this Lease for any reason.

6.6.6. Landlord's Responsibility. If the Premises are or become contaminated by Hazardous Substances that are not brought to the Park, or spilled, leaked, released or disposed of, by Tenant or any Tenant Party, then Landlord shall take or cause to be taken all legally required steps to remediate the same without reimbursement from Tenant.

6.6.7. Definitions. The term “Environmental Laws” shall mean any and all federal, state, or local laws, statutes, rules, regulations, ordinances, or judicial or administrative decrees or orders relating to: (i) health, safety or environmental protection; (ii) the emissions, discharges, releases or threatened releases of pollutants, contaminants or toxic or hazardous materials into the environment (including, without limitation, ambient air, surface water, ground water or subsurface strata); or (iii) the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of, or exposure to pollutants, contaminants or toxic or hazardous materials, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, 42 USC §9601 *et seq.* (“CERCLA”), as amended and judicially and administratively interpreted through the date hereof, and all regulations promulgated thereunder as of such date. The term “Hazardous Substance” (collectively, “Hazardous Substances”) shall mean: (A) any products, materials, solvents, elements, compounds, chemical mixtures, contaminants, pollutants, or other substances identified as toxic or hazardous under CERCLA or any other Environmental Laws; and (B) the following substances: PCBs, gasoline, kerosene or other petroleum products, toxic pesticides and herbicides, volatile and/or chlorinated solvents, materials containing asbestos or formaldehyde and radioactive materials.

## **7. Utility Charges; Building Maintenance and Repairs.**

7.1. Utility Charges. Tenant shall pay when due all charges for electricity, natural gas, water, garbage collection, janitorial service, sewer, and all other utilities of any kind furnished to the Premises during the Lease Term. If charges are not separately metered or stated, Landlord shall apportion the utility charges on an equitable basis and Tenant shall pay such charges to Landlord within ten (10) days following receipt by Tenant of Landlord’s statement for such charges. Landlord shall have no liability resulting from any interruption of utility services caused by fire or other casualty, strike, riot, vandalism, the making of necessary repairs or improvements, or any other cause beyond Landlord’s reasonable control. Tenant shall control the temperature in the Premises to prevent freezing of any sprinkler system.

7.1.1. Tenant understands that Landlord may be required under applicable law to obtain, input and disclose certain benchmarking data for the U.S. Environmental Protection Agency’s ENERGY STAR® Portfolio Manager. Landlord may also elect to voluntarily obtain, input and disclose such data. Accordingly, within ten (10) days following written request therefor from Landlord (and thereafter as set forth below), Tenant will complete, execute and deliver to Landlord a data release authorization for each utility serving the Premises maintained in Tenant’s name or otherwise for the account of Tenant, in form and substance required by the relevant utility provider, permitting the relevant utility to disclose to Landlord Tenant’s monthly billing data, building square footage, occupancy type, operational characteristics and other information reasonably required for purposes of inputting the benchmarking data required by the U.S. Environmental Protection Agency’s ENERGY STAR® Portfolio Manager (the “Data Release Authorization”). In addition, if Tenant’s name or entity changes, Tenant shall complete, execute and deliver to Landlord an additional Data Release Authorization within ten (10) days following receipt of written request therefor from Landlord, Tenant’s failure to comply with the provisions of this Paragraph 7.1.1 shall be a material default under this Lease if and only if Landlord is required under any Applicable Law to obtain, input, and disclose such information.

### 7.2. Landlord’s Maintenance and Repairs.

7.2.1. Costs Not Included In Operating Expenses. Landlord’s maintenance, repair and replacement obligations which are paid by Landlord and not reimbursed by Tenant are set forth in this Paragraph 7.2.1. Except for those repairs for which Tenant is responsible pursuant to any provisions of this Lease, Landlord, at its own cost and expense, shall be responsible only for (i) replacement of the structural portions of the roof, (ii) repair and replacement of the foundation of the Building and (iii) repair and replacement of the structural elements of the Building. The terms “roof and “walls” as used herein shall not include windows, glass or plate glass, doors, special store fronts or office entries.

7.2.2. Costs Included In Operating Expenses. Except for those repairs for which Tenant is responsible pursuant to any provisions of this Lease, Landlord is responsible for performing maintenance, repairs and replacements of (i) the exterior paved areas and curbs of the Outside Area of the parcel on which the Building is located (“Building Outside Area”), (ii) all landscaping of the Building and Outside Area, (iii) the exterior walls of the Building (including painting), gutters, downspouts and repairs and replacement of the roof membrane, (iv) sprinkler systems and main sewage line(s), (v) Building systems to the extent the same do not exclusively serve any tenant of the Building, and (vi) any other maintenance, repair or replacement items normally associated with the foregoing. Landlord shall also repair, maintain

and replace the common areas of the Building (including, without limitation, the internal courtyard serving the Building) in good condition. The foregoing costs and expenses of such repair, replacement, maintenance and other such items shall be included as part of Operating Expenses and Tenant shall be responsible for paying its proportionate share thereof. The amount of Tenant's rental obligation set forth in Paragraph 1.10 does not include the cost of such items and Landlord's performance of repair, replacement, maintenance and other items, is not a condition to payment of such rental obligations.

7.2.3. Notice to Landlord; Tenant's Waiver. Tenant shall immediately give Landlord written notice of defect or need for repairs required pursuant to the terms of this Lease, following the receipt of which Landlord shall promptly repair same or cure such defect. Landlord's liability with respect to any defects, repairs, replacement or maintenance for which Landlord is responsible hereunder shall be limited to the cost of such repairs or maintenance or the curing of such defect, except to the extent Landlord's failure to repair or cure the relevant item results in a default by Landlord under Paragraph 16 of this Lease. Tenant waives any right now or hereafter granted by law to make any repairs which are the responsibility of Landlord upon Landlord's failure to make such repairs.

7.3. Tenant's Maintenance and Repairs. Tenant, at its own cost and expense, shall keep all parts of the Premises (except for those for which Landlord is expressly responsible hereunder) maintained in good condition and repair, ordinary wear and tear, damage from casualty and condemnation excepted, and promptly make all necessary repairs and replacements (except for replacements by Landlord pursuant to Paragraph 7.2) to the Premises. Without limiting the generality of the foregoing, Tenant's responsibility shall include (i) maintenance and repair of any portion of the electrical system which exclusively serves the Premises, above-slab plumbing, and all drainpipes and sewer line(s) exclusively serving the Premises, (ii) maintenance, repair and replacement of overhead and personnel doors, (iii) replacement of all broken or cracked glass within or on the exterior of the Premises with glass of the same quality and type, and (iv) pest control and janitorial service as reasonably necessary. Tenant shall refrain from any discharge that will damage the sewers serving the Premises. Tenant, at its own cost and expense, shall maintain and repair all hot water, heating, ventilation and air conditioning systems and equipment exclusively serving the Premises (the "HVAC System") pursuant to manufacturer's guidelines. As of the Commencement Date, Tenant shall, at its sole cost and expense, contract with a reputable HVAC service contractor, approved by Landlord in its reasonable discretion (the "HVAC Contractor"), to perform not less than quarterly inspections and to perform routine maintenance and repairs of the HVAC System (the "HVAC Maintenance Contract"). Tenant shall provide a copy of the HVAC Maintenance Contract to Landlord within ten (10) days after Landlord's request therefor. At all times throughout the Lease Term, Tenant shall be solely responsible for all costs for the quarterly inspections and routine maintenance associated with the HVAC Maintenance Contract and all maintenance and repairs performed on the HVAC System, including replacement of all or any portion thereof. Tenant shall be responsible for all repairs and alterations in and to the Premises, the Building and the Park and the facilities and systems thereof, the need for which arises out of the performance or existence of any alterations made by Tenant or, subject to the waiver of subrogation set forth in Paragraph 11.3 below, out of the act, omission, misuse or neglect of Tenant, a Tenant Party, Tenant's subtenants or its subtenant's employees, agents or contractors. Tenant shall promptly make all repairs in or to the Premises, the Building or the Park for which Tenant is responsible.

7.4. Security. Tenant acknowledges and agrees that Tenant is responsible for securing the Premises and that Landlord does not, and shall not be obligated to, provide any police personnel or other security services or systems for any portion of the Premises, Building, Outside Area and/or Park.

7.5. Access to Premises; Interference. Provided that Landlord gives Tenant reasonable notice (but in no event less than twenty-four (24) hours), Landlord shall have access to the Premises at times throughout the Lease Term to perform repairs and maintenance required under this Lease and to perform any other alterations or improvements which Landlord deems necessary in its reasonable discretion ("Landlord's Future Work"). Landlord and Tenant agree to communicate and reasonably cooperate with each other with respect to the performance of Landlord's Future Work such that Landlord is able to perform Landlord's Future Work economically and efficiently without unreasonable disruption to Tenant's continuing operation of the Permitted Use in the Premises, and Landlord shall use commercially reasonable efforts to avoid materially interfering with Tenant's business activities in the Premises during such access and/or such Landlord's Future Work. However, Tenant understands that Landlord may be performing Landlord's Future Work during business hours and that Landlord's

Future Work may be performed in and around the exterior of the Premises and in the Premises. Accordingly, notwithstanding any provision to the contrary contained in this Lease and provided that Landlord's Future Work is performed in a reasonable manner, Landlord and Landlord's contractors, agents and employees shall have all access and other rights reasonably required in order to perform and complete Landlord's Future Work. Provided that no such work precludes Tenant from accessing the Premises on commercially reasonable terms, such performance and completion of Landlord's Future Work shall in no way constitute constructive eviction of Tenant from any portion of the Premises nor shall Tenant be entitled to abatement or reduction of Base Rent, Additional Rent or other charges payable by Tenant under this Lease as a result thereof. Provided that no such work precludes Tenant from accessing the Premises on commercially reasonable terms or renders the Premises or a material portion thereof untenable for more than one (1) business day, Landlord shall have no liability for interference with Tenant's use when making alterations, improvements or repairs to the Premises, Building, Outside Area or the Park. Notwithstanding anything to the contrary herein, Landlord shall not enter (except in the event of an emergency) into certain areas of the Premises that are designated as "clean" rooms, secure rooms or similar by signage or notice to Landlord without following Tenant's procedures prior to entry and accompaniment by a Tenant representative. Access to the Premises by Landlord shall be in accordance with the reasonable security, safety and confidentiality procedures that Tenant may reasonably adopt from time to time. Tenant may reasonably restrict access by any visitor whom Landlord intends to bring onto the Premises who is, or may reasonably be suspected by Tenant to be or represent a competitor of Tenant.

## **8. Taxes and Operating Expenses.**

8.1. Payments. Commencing on the Rent Commencement Date and thereafter in advance on the first day of each month during the Lease Term, Tenant shall pay a monthly sum as Additional Rent representing Tenant's proportionate share of Taxes and Operating Expenses for the Premises. Such amount shall annually be estimated by Landlord in good faith to reflect actual or anticipated costs. Not later than May 1 of each calendar year during the Lease Term, Landlord shall compute its actual costs for such items during the prior calendar year and shall furnish Tenant with a statement in reasonable detail showing such items. Any overpayment by Tenant shall be credited against payments of Additional Rent to be made by Tenant under this Lease, and any deficiency shall be paid by Tenant within thirty (30) days after receipt of Landlord's statement. Landlord's records of expenses for Taxes and Operating Expenses may be inspected by Tenant or a third-party auditor not more than one (1) time per annum at reasonable times upon thirty (30) days prior written notice to Landlord; provided, however, that Tenant shall not retain any third party auditor on a contingency fee basis to perform any such audit or inspection. Landlord shall pay the reasonable cost of such audit if it is determined that Tenant overpaid Tenant's proportionate share of Taxes and/or Operating Expenses by more than five percent (5%).

8.2. Tenant's Proportionate Share. Tenant's proportionate share of Taxes shall mean that percentage which the Premises Area set forth in the Basic Lease Terms bears to the total rentable square footage of all buildings covered by the tax statement for the Taxes; provided, however, that if any portion of the Building is occupied by a tax-exempt tenant and the tax parcel of which the Building is a part is granted a partial tax exemption under ORS 307.112 or a similar statute as a result thereof, then Tenant's proportionate share of Taxes shall mean that percentage which the Premises Area bears to the total rentable square footage of all buildings covered by the tax statement for the Taxes excluding the rentable square footage leased by the tax-exempt tenant. Tenant's proportionate share of Operating Expenses for the Building shall be computed by dividing the Premises Area by the total rentable area of the Building. If in Landlord's reasonable judgment either of these methods of allocation results in an inappropriate allocation to Tenant, Landlord shall reasonably and non-arbitrarily select some other reasonable, equitable method of determining Tenant's proportionate share.

8.3. Taxes Charged. As used herein, "Taxes" means all taxes, assessments and/or governmental charges of any kind and nature assessed against the Premises, the Building or the Park during the Lease Term and shall include all general real property taxes, all general and special assessments payable in installments, and any rent tax, tax on Landlord's interest under this Lease, or any tax in lieu of the foregoing, whether or not any such tax is now in effect. Landlord shall have the right to employ a tax consulting firm to attempt to assure a fair tax burden on the Building and grounds within the applicable taxing jurisdiction, and Tenant agrees to pay its proportionate share (calculated in the same manner as Tenant's proportionate share of Taxes) of the cost of such consultant. Tenant shall not, however, be obligated to pay any tax based upon Landlord's net income. In addition, Tenant shall be liable for all taxes levied or assessed against any personal property or fixtures placed in the Premises. If any such taxes

are levied or assessed against Landlord or Landlord's property and (i) Landlord pays the same or (ii) the assessed value of Landlord's property is increased by inclusion of such personal property and fixtures and Landlord pays the increased taxes, then, within thirty (30) days following receipt by Tenant of a copy of the applicable tax bill with Landlord's written request for payment thereof, Tenant shall pay to Landlord such taxes as part of Tenant's payment of Taxes.

8.4. Operating Expenses. "Operating Expenses" charged to Tenant hereunder shall mean all costs incurred by Landlord in connection with owning, operating, insuring, maintaining, repairing and replacing the Premises, Building, and all other portions of the Park or Outside Area including, without limitation, the cost of all utilities or services not paid directly by Tenant, property insurance, liability insurance, property management, maintenance, repair and replacement of landscaping, parking areas, and any other common facilities, and performing Landlord's obligations under Paragraph 7.2.2. Operating Expenses shall include without limitation, the following: (i) the cost, including interest at ten percent (10%) per annum, amortized over its useful life, of any capital improvement made to any portion of the Park by Landlord after the Effective Date of this Lease which is required under any Applicable Laws that were not applicable to the relevant portion of the Park at the time the relevant portion of the Park was constructed; (ii) the cost, including interest at ten percent (10%) per annum, amortized over its useful life, of installation of any device or other equipment which improves the operating efficiency of any system within the Park and thereby reduces Operating Expenses; (iii) maintenance, repair and replacement items which have a reasonable life expectancy in excess of five (5) years and which, if charged to Operating Expenses in one(1) year, would unreasonably distort total Operating Expenses for that year and therefore the cost thereof is being spread over the reasonable life expectancy of the work performed; (iv) all expenses allocated to the Property pursuant to the CC&Rs; and (v) a management fee equal to three percent (3%) of Base Rent and Operating Expenses. Landlord shall not charge to Tenant, and Tenant shall not be obligated to pay, any cost or expense not charged to Tenant within two (2) years after the date such cost is incurred (except for costs properly amortized over multiple years pursuant to this Paragraph 8.4).

8.5. Exclusions From Operating Expenses. Notwithstanding anything to the contrary herein, Operating Expenses shall not include the following:

8.5.1. Costs of repairs and replacements that are Landlord's responsibility under Paragraph 7.2.1 above;

8.5.2. Costs of correction of the Building foundation and/or correction of deficiencies in structural elements of the Building;

8.5.3. Costs of restoring the Premises, Building, or Park following a casualty or condemnation, except for commercially reasonable deductibles in the event of a casualty;

8.5.4. Costs of repairs and replacements that are paid by proceeds of insurance or of a warranty, and costs reimbursed to Landlord by any third party, including insurers, warranty providers, or other tenants of the Building or Park (other than pursuant to payment by tenants and occupants of their proportionate share of Operating Expenses), or that are paid to Landlord by Tenant separately from Operating Expenses;

8.5.5. Costs of Alterations to the Building or Park attributable solely to a specific tenant other than Tenant;

8.5.6. Costs of providing services to tenants other than Tenant that are not provided to Tenant, and costs of constructing or operating amenities that are not available for Tenant's use (including without limitation, interior or exterior areas that are not part of a tenant's space but which are not available for Tenant's use);

8.5.7. Any interest or payments on any mortgages or deeds of trust or rental on any ground or underlying lease, and penalties and charges incurred as a result of Landlord's late payment under such mortgages, deeds of trust or ground leases;

8.5.8. Legal fees, leasing commissions, costs of art and sculptures, advertising, and marketing expenses and other such costs incurred in connection with the development, marketing, advertising, or leasing of the Building or Park, including but not limited to expenses associated with maintaining a leasing office;

8.5.9. Any allowances or credits provided to any tenant for rent, construction or renovation (including design and permitting) of tenant improvements, moving or similar purposes, and the costs of any construction or renovation (including design and permitting) of tenant improvements performed by Landlord for any tenant;

8.5.10. Legal costs in connection with lease negotiations or the enforcement of leases, including but not limited to costs or expenses incurred as a result of disputes or negotiations with other tenants or occupants of the Park, including but not limited to attorneys' fees, any costs or expenses incurred in negotiating, amending, administering or terminating leases, any brokerage commissions, or construction or planning expenses;

8.5.11. Reserves for any expenditures that would be incurred subsequent to the current calendar year;

8.5.12. Costs or expenses of providing or performing improvements, work, renovations, decorating, painting, or repairs to or within any portion of the premises of any other tenants or occupants of the Building or Park or to portions of the Building or Park that are not available for Tenant's use (for example, a Common Area used exclusively by one or more tenants not including Tenant);

8.5.13. Costs of electricity or other utilities used by any tenant (other than Tenant) of the Building or Park in excess of standard use amounts;

8.5.14. Utility and air conditioning or heating costs or other expenses which are separately billed to specific tenants;

8.5.15. Any cost that, if charged as a part of Operating Expenses, would result in duplication of any other amount paid by Tenant or that would result in Landlord collecting the same amount twice;

8.5.16. Penalties, fines, late fees, interest or similar charges incurred due to violations by Landlord or any tenant (other than Tenant) of the Park of any laws, rules, regulations, or ordinances applicable to the Park;

8.5.17. Fines, interest and penalties incurred due to the late payment of Taxes;

8.5.18. Overhead and profit paid to subsidiaries or affiliates of Landlord for services on or to the Park and/or Premises, to the extent only that the costs of such services exceed competitive costs for such services were they not rendered by a subsidiary or affiliate;

8.5.19. Landlord's general overhead costs and administrative expenses;

8.5.20. The cost of any environmental remediation of the Park or the Building, including without limitation any costs incurred to test, survey, cleanup, contain, abate, remove, or otherwise remedy hazardous wastes or asbestos-containing materials from the Park;

8.5.21. Management or administrative costs in excess of three percent (3%) of Base Rent and Operating Expenses;

8.5.22. Costs incurred in connection with the sale, financing or refinancing of the Building or Park; or

8.5.23. Costs to pave or re-stripe the parking areas of the Park more than one time per calendar year.

## **9. Parking and Storage Areas.**

9.1. **Parking.** Subject to the provisions of this Paragraph 9.1, Tenant, its employees, agents, contractors and invitees shall have the non-exclusive right to use the common driveways and truck court areas located in the Outside Area, subject to the parking rights and rights of ingress and egress of other occupants. In addition, Tenant, its employees, agents, contractors and invitees shall have the non-exclusive right to use parking spaces situated in the Park at a ratio of five (5) spaces per one thousand (1,000) rentable square feet of the Premises. Tenant's parking shall not be reserved and shall be limited to vehicles no larger than standard size automobiles, or standard size pickups or sport utility vehicles. Under no circumstances shall overnight parking be allowed, nor shall trucks, trailers or other large vehicles serving the Premises (i) be used for any purpose other than for the loading and unloading of goods and materials or (ii) be permitted to block streets and/or ingress and egress to and from the Park. Temporary parking of large delivery vehicles in the Park may be permitted only with Landlord's prior written consent. Vehicles shall be parked only in striped parking spaces and not in driveways, loading areas or other locations not specifically designated for parking. Handicapped spaces shall only be used by those legally permitted to use them. Pursuant to Paragraph 1.4 of this Lease, Landlord reserves the right to grant parking rights (exclusive and otherwise) within the relevant portions of the Outside Area to occupants of the Park. Landlord shall install four (4) electric vehicle charging stations with two (2) chargers each in the parking

area adjacent to the Building for use by Tenant and the other tenants of the Building and their respective employees and visitors.

9.2. Storage Areas. Tenant shall not store any materials, supplies or equipment outside the Premises in any unapproved or unscreened area. If Tenant erects any visual barriers for storage areas, Landlord shall have the right to approve the design and location, which approval may be withheld or conditioned in Landlord's sole and absolute discretion and all of which shall be removed upon the expiration or earlier termination of this Lease as and if required by Landlord. Trash and garbage receptacles shall be kept covered at all times.

## **10. Indemnification.**

10.1. Tenant's Indemnification. Tenant shall indemnify, defend and hold harmless Landlord for, from, against and regarding any claims, losses, liabilities, damage, causes of action, demands and costs and expenses (including attorneys' fees) (collectively, "Claims") arising from or related to (i) Tenant's use of the Premises; (ii) any injury to any person or for the loss of or damage to any property (including Tenant's property) occurring in or about the Premises from any cause whatsoever, except to the extent caused by Landlord's negligence or willful misconduct; (iii) any act or omission of Tenant or a Tenant Party; or (iv) any failure by Tenant to perform any obligation under this Lease; provided, however, that such indemnification obligation shall not extend to Claims to the extent caused by Landlord's negligence or willful misconduct or the negligence or willful misconduct of its employees, agents or contractors. In the event any action is brought against Landlord by reason of any such claim, Tenant shall resist or defend such action or proceeding by counsel satisfactory to Landlord upon Landlord's demand. Landlord shall have no liability to Tenant for any injury, loss or damage caused by third parties, or by any condition of the Premises except to the extent such condition is caused by the negligence or willful misconduct of Landlord or its employees, agents or contractors.

10.2. Landlord's Indemnification. Landlord shall indemnify, defend and hold harmless Tenant for, from, against and regarding any claim or liability for bodily injury, death, or damage to the tangible property of third parties to the extent caused by the negligence or willful misconduct of Landlord or its employees, agents or contractors or any failure by Landlord to perform any obligation under this Lease. In the event any action is brought against Tenant by reason of any such claim, Landlord shall resist or defend such action or proceeding by counsel satisfactory to Tenant upon Tenant's demand.

10.3. Survival. The obligations under this Paragraph 10 shall survive termination of this Lease.

## **11. Insurance; Waiver of Subrogation.**

11.1. Landlord. Landlord shall keep the Building insured against fire and other risks covered by a "Causes of Loss - Special Form" property insurance policy in the full replacement value of the Building (exclusive of Tenant's trade fixtures, Alterations, equipment and personal property) and may obtain insurance policies against such other losses (including, without limitation earthquake, earth movement and flood) as Landlord may deem reasonable.

11.2. Tenant. Tenant shall keep all of Tenant's property on the Premises, and all improvements, alterations and other betterments installed by Tenant, insured against fire and other risks covered by a "Causes of Loss-Special Form" property insurance policy in an amount equal to the replacement cost of such property, the proceeds of which shall, so long as this Lease is in effect, be used for the repair or replacement of the property so insured. Tenant shall also carry commercial general liability insurance written on an occurrence basis with policy limits of not less than Two Million and No/100 Dollars (\$2,000,000.00) each occurrence, which initial amount shall be subject to periodic increase based upon inflation, increased liability awards, recommendation of Landlord's professional insurance advisers and other relevant factors. In addition, if Tenant's use of the Premises includes any activity or matter that would be excluded from coverage under a commercial general liability policy, Tenant shall obtain such endorsements to the commercial general liability policy or otherwise obtain insurance to insure all liability arising from such activity or matter in such amounts as Landlord may reasonably require. Such commercial general liability insurance shall be (i) provided by an insurer or insurers who are approved to issue insurance policies in the State in which the Premises are located and have an A.M. Best financial strength rating of A- or better and financial size category of VII or larger, and (ii) shall be evidenced by a certificate delivered to Landlord on or prior to the Commencement Date and thereafter upon request, but not more than annually, stating that the coverage shall not be cancelled without thirty (30) days advance written notice to Landlord. Landlord shall be named as an additional insured on such policy together with, upon written request from Landlord, Landlord's mortgagee and Landlord's managing agent. All insurance



policies required to be carried by Tenant hereunder shall be written as primary policies not contributing with and not in excess of coverage which Landlord may carry and shall not have a deductible in excess of a commercially reasonable amount.

11.3. Waiver of Subrogation. Landlord and Tenant each hereby releases the other, and the other's partners, officers, directors, members, agents and employees, from any and all liability and responsibility to the releasing party and to anyone claiming by or through it or under it, by way of subrogation or otherwise, for all claims or demands whatsoever which arise out of damage or destruction of the releasing party's property to the extent of insurance proceeds received by the releasing party from property insurance required to be carried hereunder (or which would have been received had such party complied with such requirements) or, if greater, the proceeds actually received from all insurance maintained by the releasing party. Landlord and Tenant grant this release on behalf of themselves and their respective insurance companies and each represents and warrants to the other that it is authorized by its respective insurance company to grant the waiver of subrogation contained in this Paragraph 11.3. This release and waiver shall be binding upon the parties whether or not insurance coverage is in force at the time of the loss or destruction of property referred to in this Paragraph 11.3.

## **12. Property Damage.**

12.1. Notice; Total Destruction. Tenant shall immediately give written notice to Landlord if the Premises or the Building are damaged or destroyed. If the Premises or the Building should be totally destroyed or so damaged by an insured peril in an amount exceeding thirty percent (30%) of the full construction replacement cost of the Building or Premises, respectively (as used herein, the "Damage Threshold"), Landlord may elect to terminate this Lease as of the date of the damage by notice of termination in writing to Tenant within thirty (30) days after such date, in which event all unaccrued rights and obligations of the parties under this Lease shall cease and terminate except to the extent such obligations specifically survive termination of this Lease.

12.2. Partial Destruction. If the Building or the Premises should be damaged by an insured peril which does not meet the Damage Threshold, or if damage or destruction meeting the Damage Threshold occurs but Landlord does not elect to terminate this Lease, this Lease shall not terminate and Landlord shall restore the Premises to substantially its previous condition, except that Landlord shall not be required to rebuild, repair or replace any part of the partitions, fixtures, alterations, additions and other improvements required to be covered by Tenant's insurance pursuant to Paragraph 11.2. If the Premises are not reasonably usable by Tenant for the Permitted Use in whole or part during the period commencing upon the date of the occurrence of such damage and ending upon substantial completion of Landlord's required repairs or rebuilding, Base Rent shall be reduced during such period to the extent the Premises are not reasonably usable by Tenant for the Permitted Use.

12.3. Damage Near End of Lease Term. If the damage to the Premises or Building occurs during the last twelve (12) months of the Lease Term in an amount exceeding twenty-five percent (25%) of the full construction replacement cost of the Building or Premises, respectively, either Landlord or Tenant may elect to terminate this Lease as of the date the damage occurred, regardless of the sufficiency of any insurance proceeds. The party electing to terminate this Lease shall give written notification to the other party of such election within thirty (30) days after Tenant's notice to Landlord of the occurrence of the damage, in which event all unaccrued rights and obligations of the parties under this Lease shall cease and terminate except to the extent such obligations specifically survive termination of this Lease.

12.4. Repair of Damage. All repairs made by Landlord pursuant to this Paragraph 12 shall be accomplished as soon as is reasonably possible, subject to force majeure as described in Paragraph 23.1. Landlord's good faith estimate of the cost of repairs of any damage, or of the replacement cost of the Premises or the Building, shall be conclusive as between Landlord and Tenant. The repair and restoration of the Premises shall be made pursuant to plans and specifications developed by Landlord in Landlord's reasonable discretion and judgment, and such plans and specifications shall exclude all equipment, fixtures, improvements and alterations installed by Tenant. All insurance proceeds for repairs shall be payable solely to Landlord, and Tenant shall have no interest therein. Nothing herein shall be construed to obligate Landlord to expend monies in excess of the insurance proceeds received by Landlord, provided that Landlord has maintained the insurance required under Paragraph 11.1 above. Landlord shall be responsible for the insurance deductible, unless the loss is caused by Tenant or Tenant's agents, employees, officers or representatives, in which case, and notwithstanding the provisions of Paragraph 11.3, Tenant shall be responsible for the amount of the deductible.

12.5. Other Damage. If the Premises or the Building is substantially or totally destroyed by any cause whatsoever which is not covered by the foregoing provisions of this Paragraph 12, this Lease shall terminate as of the date the destruction occurred; provided, however, that if the damage does not exceed thirty percent (30%) of the full construction replacement cost of the Building or Premises respectively, Landlord may elect (but will not be required) to rebuild the Premises at Landlord's own expense, in which case this Lease shall remain in full force and effect. Landlord shall notify Tenant of such election within thirty (30) days after the casualty.

12.6. Tenant's Right to Terminate. Notwithstanding anything to the contrary in this Lease, following any damage or destruction of the Premises which materially and adversely affects Tenant's use of the Premises for the Permitted Use, Landlord shall as soon as reasonably practicable following such casualty, deliver written notice to Tenant reasonably estimating in good faith the time necessary to complete the repair and/or restoration necessitated by such casualty. In the event the time estimated for completion of such repair exceeds eighteen (18) months from the date of issuance of all necessary permits to restore such casualty, then Tenant shall have the right to terminate this Lease by written notice delivered to Landlord within ten (10) business days following Tenant's receipt of such estimate notice. In addition, in the event such repair in fact is not completed within eighteen (18) months from the date of issuance of all necessary permits to restore such casualty (or such longer period as may have been estimated by Landlord in such notice), Tenant shall have the right to terminate this Lease upon thirty (30) days prior written notice to Landlord, provided that if such repair is completed within such thirty (30) day period as extended by any event beyond Landlord's reasonable control, such termination shall be nullified and this Lease shall continue in full force and effect.

### **13. Condemnation.**

13.1. Partial Taking. If a portion of the Premises is condemned and Paragraph 13.2 does not apply, this Lease shall continue on the following terms:

13.1.1. Landlord shall be entitled to all of the proceeds of condemnation, and Tenant shall have no claim against Landlord as a result of the condemnation.

13.1.2. Landlord shall proceed as soon as reasonably possible to make such repairs and alterations to the Premises as are necessary to restore the remaining Premises to a condition as comparable as reasonably practicable to that existing at the time of condemnation. Landlord need not incur expenses for restoration in excess of the amount of condemnation proceeds received by Landlord after payment of all reasonable costs, expenses and attorneys' fees incurred by Landlord in connection therewith.

13.1.3. Base Rent and Operating Expenses shall be abated during the period of restoration to the extent the Premises are not reasonably usable by Tenant for the Permitted Use pursuant to Paragraph 6.1, and Base Rent shall be reduced (and Operating Expenses appropriately adjusted) for the remainder of the Lease Term in an amount equal to the reduction in rental value of the Premises caused by the taking.

13.2. Total Taking. If a condemning authority takes the entire Premises or Project or a portion sufficient to render the remainder unsuitable for Tenant's use, or if a condemning authority requires a change to ingress and egress from the Building that precludes Tenant from accessing the Premises on commercially reasonable terms, then either party may elect to terminate this Lease effective on the date that title passes to the condemning authority; provided, however, that Tenant may not terminate this Lease if Landlord provides reasonable alternative access to the Building. Landlord shall be entitled to all of the proceeds of condemnation, and Tenant shall have no claim against Landlord as a result of such condemnation.

### **14. Assignment, Subletting and Other Transfers.**

14.1. General. Except with respect to Permitted Transfers, neither this Lease nor any part of the Premises may be assigned, mortgaged, subleased or otherwise transferred, nor may a right of use of any portion of the Premises be conferred on any person or entity by any other means, without the prior written consent of Landlord which shall not be unreasonably withheld or delayed so long as there is no existing default under this Lease but which may be issued subject to reasonable conditions. A change of ownership of fifty percent (50%) or more of ownership interests in Tenant shall be deemed an assignment unless such change of ownership is a Permitted Transfer. Prior to effectuating any assignment, sublease or other transfer other than a Permitted Transfer, Tenant shall notify Landlord in writing of the name and address of the

proposed transferee, and deliver to Landlord with such notice a true and complete copy of the proposed assignment agreement, sublease or other occupancy agreement, current financial statements of such proposed transferee, a statement of the use of the Premises by such proposed transferee and such other information or documents as may be necessary or appropriate to enable Landlord to determine the qualifications of the proposed transferee together with a request that Landlord consent thereto ("Tenant's Notice"). Without limiting Landlord's ability to deny or condition consent for any other reason, it shall not be considered unreasonable if Landlord's consent to a proposed sublease, assignment or other transfer is denied based on the following: (i) the business of the proposed transferee is materially different than the Permitted Use and (A) is not compatible with the nature and character of the Park or the businesses in the Park and/or (B) will conflict with any exclusive uses or use restrictions that Landlord has granted to other occupants of the Park, (ii) the financial strength of the proposed transferee is not at least equal to the financial strength of Tenant either at the time Tenant entered into this Lease or at the time of the proposed transfer (whichever is greater), (iii) the proposed transferee will not abide by the parking ratios set forth in this Lease or requires additional parking beyond that provided in this Lease, (iv) the proposed transferee has a record of environmental contamination or their anticipated use of the Premises involves the generation, storage, use, sale, treatment, release or disposal of any Hazardous Substances in violation of this Lease, or (v) the content and format of the proposed form of sublease, assignment or other occupancy agreement is not consistent with the terms of this Lease or the CC&Rs or are not consistent with the terms and requirements of Landlord's loan documents for the Building. Any attempted assignment, subletting, transfer or encumbrance by Tenant in violation of the terms and covenants of this Paragraph 14.1 shall be void, except that Permitted Transfers shall be governed by Paragraph 14.3 below.

14.2. No Release; Excess Rent. No assignment, subletting or other transfer, whether consented to by Landlord or not, or permitted hereunder, shall relieve Tenant of its liability under this Lease. If an event of default occurs while the Premises or any part thereof are assigned, sublet or otherwise transferred, then Landlord, in addition to any other remedies herein provided, or provided by law, may collect directly from such assignee, sublessee or transferee all rents payable to Tenant and apply such rent against any sums due Landlord hereunder. No such collection shall be construed to constitute a novation or a release of Tenant from the further performance of Tenant's obligations hereunder. If Tenant assigns or otherwise transfers this Lease or sublets the Premises for an amount in excess of the rent called for by this Lease, such excess shall be paid to Landlord within ten (10) days following receipt by Tenant.

14.3. Permitted Transfer. Notwithstanding the foregoing, but subject to Paragraphs 6.1 and 6.6 of this Lease, Tenant may, without Landlord's consent, assign this Lease, sublet all or any part of the Premises or otherwise transfer Tenant's interest in and to this Lease while Tenant is not in default to (i) any other entity which is an Affiliate (as defined below) of Tenant or (ii) any entity which merges or consolidates with, or acquires substantially all of the assets of or ownership interests in Tenant (as used herein, a "Permitted Transfer"). Tenant shall provide a Tenant's Notice with respect to any Permitted Transfer within twenty (20) days prior to the effective date thereof. No Permitted Transfer shall be deemed to constitute a release of Tenant from its obligations under this Lease. As used herein, "Affiliate" shall mean (A) an entity in which Tenant owns more than 50% of the ownership interests, (B) an entity that owns more than 50% of the ownership interests in Tenant (the "Parent Entity"), or (C) an entity who has the same Parent Entity as Tenant. Notwithstanding anything to the contrary in this Lease, (a) an initial public offering of Tenant shall not be deemed an assignment or transfer of the Lease; and (b) sale or transfer of the capital stock of Tenant shall be deemed a Permitted Transfer if such sale or transfer occurs in connection with a bona fide financing or capitalization for the benefit of Tenant and there is no change in control of Tenant.

## 15. Tenant Default.

15.1. Default. Any of the following shall constitute a default by Tenant under this Lease:

15.1.1. Tenant's failure to (i) pay rent or any other charge under this Lease within five (5) days after it is due, provided that the first time (and only the first time) in any twelve (12) consecutive month period during the Lease Term that Tenant fails to pay rent or any other charge due hereunder (the "First Time Failure") shall not constitute a default by Tenant under this Lease unless such First Time Failure continues for a period of five (5) days after receipt by Tenant of notice from Landlord that such amount is due and payable or (ii) cure or remove any lien pursuant to Paragraph 19 within ten (10) business days or (iii) except as provided in Paragraphs 15.1.2 through 15.1.4, comply with any other term or condition within thirty (30) days following written notice from Landlord specifying the noncompliance. If any failure

described in clause (iii) of the immediately preceding sentence cannot reasonably be cured within the thirty (30)-day period, this provision shall be deemed complied with so long as Tenant commences correction within such period and thereafter proceeds in good faith and with reasonable diligence to effect the remedy as soon as practicable.

15.1.2. Tenant's insolvency; assignment for the benefit of its creditors; Tenant's voluntary petition in bankruptcy or adjudication as bankrupt; attachment of or the levying of execution on the leasehold interest and failure of Tenant to secure discharge of the attachment or release of the levy of execution within ten (10) days; or the appointment of a receiver for Tenant's properties.

15.1.3. Abandonment of the Premises by Tenant ("abandonment" means vacation of the Premises without the intent to return, and failure to (a) continue paying Base Rent and Additional Rent as and when due, (b) maintain the Premises as required hereunder, or (c) maintain required insurance coverage for the Premises).

15.1.4. Failure of Tenant to deliver the documents or agreements required under Paragraph 18.1 within the relevant time period specified therein.

15.2. Remedies for Default. For any default as described in Paragraph 15.1, Landlord shall have the right to pursue any one (1) or more of the following remedies in addition to all other rights or remedies provided herein or at law or in equity, without any notice or demand, except as set forth below, of any kind or nature whatsoever to Tenant or to any other party liable, in whole or in part, for the performance of Tenant's obligations under this Lease:

15.2.1. Terminate this Lease and/or Tenant's right to possession of the Premises and Tenant's other rights under this Lease by written notice to Tenant without relieving Tenant from its obligation to pay damages.

15.2.2. Re-enter and take possession of the Premises and remove any persons or property by legal action without liability for damages and without having accepted a surrender. Tenant's liability to Landlord for damages shall survive the tenancy. Landlord may, after such retaking of possession, relet the Premises upon any reasonable terms. No such reletting shall be construed as an acceptance of a surrender of Tenant's leasehold interest.

15.2.3. In the event of termination or retaking of possession following default, Landlord shall be entitled to recover immediately, without waiting until the due date of any future rent or until the date fixed for expiration of the Lease Term, the following amounts as damages:

(i) The loss of rental from the date of default until a new tenant is secured and paying rent.

(ii) The reasonable costs of reentry and reletting including without limitation the cost of any cleanup, refurbishing, removal and disposal of Tenant's property and fixtures, or any other expense occasioned by Tenant's default including but not limited to remodeling or repair costs, attorney fees, court costs, broker commissions, and marketing costs.

(iii) Any excess of the value of the rent and all of Tenant's other obligations under this Lease over the reasonable expected return from the Premises for the period commencing on the earlier of the date of trial or the date the Premises are relet, and continuing through the end of the Lease Term. The present value of future amounts shall be computed using a discount rate equal to the prime loan rate in effect on the date of trial of major national banks who are members of the Federal Reserve System, insured by the Federal Deposit Insurance Corporation and are located in the State in which the Premises are located.

15.3. No Bar of Action(s). Landlord may sue periodically to recover damages during the period corresponding to the remainder of the Lease Term, and no action for damages shall bar a later action for damages subsequently accruing.

15.4. Landlord Performance. If Tenant fails to perform any obligation under this Lease, and such failure continues after the expiration of applicable notice and cure periods under this Lease, Landlord shall have the option to do so after five (5) days written notice to Tenant or upon shorter notice in an emergency situation. All of Landlord's expenditures incurred in connection with such performance shall be reimbursed by Tenant on demand together with interest at the rate specified in Paragraph 23.2 from the date of expenditure until repaid.

15.5. No Exclusion. The foregoing remedies shall be in addition to and shall not exclude any other remedy available to Landlord at law or in equity.

## 16. Landlord Default.

Landlord shall be in default under this Lease if it shall fail to comply with any term, provision or covenant of this Lease and shall not cure such failure within thirty (30) days after written notice thereof to Landlord unless such cure cannot reasonably be accomplished within such thirty (30)-day period. Landlord shall have such additional time as is reasonably necessary to accomplish such cure provided Landlord promptly commences and diligently prosecutes such cure to completion.

## 17. Surrender at Expiration or Termination.

17.1. Surrender. On expiration or early termination of this Lease, Tenant shall deliver all keys to Landlord, have final utility readings made and pay all utility accounts current on the date of move out, and surrender the Premises clean and free of debris inside and out, with all mechanical, electrical, and plumbing systems exclusively serving the Premises in functional condition, all signage removed and defacement corrected, and all repairs that Tenant is responsible to perform under this Lease completed. The Premises shall be delivered in the same condition as at the Commencement Date, subject only to damage by casualty and condemnation, the provisions of Paragraphs 6.5, 6.5.3, 9.2 and 17.2 and depreciation and wear from ordinary use. Tenant shall remove all of its furnishings and trade fixtures that remain its property and restore all damage resulting from such removal. Failure to remove said property shall be an abandonment of same, and Landlord shall have the absolute right to deem the same to be without value and to remove and/or dispose of it in any manner whatsoever without liability, and Tenant shall be liable to Landlord for any costs of removal, restoration, transportation to storage, storage and/or disposal, with interest on all such expenses as provided in Paragraph 23.2. The provisions of this Paragraph 17.1 (including, without limitation, all provisions referenced herein) shall survive the expiration or earlier termination of this Lease.

17.2. Removal of Hazardous Substances. Upon expiration of this Lease or sooner termination of this Lease for any reason, Tenant shall remove all Hazardous Substances and facilities used for the storage or handling of Hazardous Substances from the Premises and restore the affected areas by repairing any damage caused by the installation or removal of the facilities. Following such removal, Tenant shall certify in writing to Landlord that all such removal is complete. Until such time as Tenant has fulfilled all the requirements of this Paragraph 17.2 (in addition to any other requirements), Landlord may treat Tenant as a holdover Tenant as provided below; provided, however, that any such continuation of this Lease shall not relieve Tenant of its obligations under this Paragraph 17.2.

17.3. Failure to Vacate. If Tenant fails to vacate the Premises when required and holds over without Landlord's prior written consent, Landlord may elect either (i) to treat Tenant as a tenant from month to month, subject to all provisions of this Lease except the provision for Lease Term and at a rental rate equal to one hundred fifty percent (150%) of the Base Rent payable by Tenant immediately preceding the scheduled expiration of the Lease Term plus Additional Rent, or (ii) to treat Tenant as a tenant at sufferance, eject Tenant from the Premises and recover damages caused by wrongful holdover including, without limitation, as set forth in Paragraph 17.4. Failure of Tenant to remove items which Tenant is expressly required to remove under this Lease shall constitute a failure to vacate to which this Paragraph 17.3 shall apply if such property not removed substantially interferes with occupancy of the Premises by another tenant or with occupancy by Landlord for any purpose including preparation for a new tenant. If a month-to-month tenancy results from a holdover by Tenant under this Paragraph 17.3, the tenancy shall be terminable upon thirty (30) days written notice from Landlord. Tenant waives any notice that would otherwise be provided by law with respect to a month-to-month tenancy.

17.4. Indemnification. Tenant acknowledges that, if Tenant holds over without Landlord's consent as provided above, such holding over may compromise or otherwise affect Landlord's ability to enter into new leases with prospective tenants regarding the Premises and/or the Building. Therefore, if Tenant fails to surrender the Premises upon the expiration or other termination of this Lease, and further fails to vacate the Premises following notice from Landlord that it requires the Premises for delivery to another tenant, then, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless for, from, against and regarding any and all obligations, losses, claims, actions, causes of action, liabilities, penalties, damages (including consequential damages), costs and expenses (including reasonable attorneys and consultants fees and expense) resulting from such failure including, without limiting the generality of the foregoing, any claims made by any succeeding tenant founded upon such failure to surrender and any lost profits to Landlord resulting therefrom. The provisions of this Paragraph 17.4 are in addition to, and do

not affect, Landlord's right to re-entry or other rights hereunder or provided by law. Tenant's obligations under this Paragraph 17.4 shall survive the expiration or earlier termination of this Lease.

#### **18. Mortgage or Sale by Landlord; Estoppel Certificates.**

18.1. Priority. This Lease is and shall be prior to any mortgage or deed of trust ("Encumbrance") recorded after the Effective Date of this Lease and affecting the Building and the land upon which the Building is located. However, if any lender holding an Encumbrance secured by the Building and the land underlying the Building requires that this Lease be subordinate to the Encumbrance, then Tenant agrees that this Lease shall be subordinate to the Encumbrance if the holder thereof agrees in writing with Tenant that no foreclosure, deed given in lieu of the foreclosure, or sale pursuant to the terms of the Encumbrance, or other steps or procedures taken under the Encumbrance shall affect Tenant's right to quiet possession of the Premises so long as Tenant pays rent and timely observes and performs all of the provisions of this Lease. If the foregoing condition is met, Tenant shall execute the commercially reasonable written agreement and any other commercially reasonable documents required by the holder of the Encumbrance to accomplish the purposes of this Paragraph 18.1 within twenty (20) days following receipt thereof. Landlord represents and warrants that, as of the date of this Lease, there is no Encumbrance that affects the Building and/or the land upon which the Building is located.

18.2. Attornment. If the Building is sold as a result of foreclosure of any Encumbrance thereon or otherwise transferred by Landlord or any successor, Tenant shall attorn to the purchaser or transferee, and the transferor shall have no further liability hereunder.

18.3. Estoppel Certificate. Tenant shall within twenty (20) days after notice from Landlord execute and deliver to Landlord a certificate stating whether or not this Lease has been modified and is in full force and effect and specifying any modifications or alleged breaches by the other party. The certificate shall also state the amount of Base Rent and Additional Rent, the amount of the Security Deposit (if any), the amount of any prepaid Base Rent and Additional Rent and any other factual information reasonably requested by Landlord. Failure to deliver the certificate within the specified time shall be conclusive upon Tenant that this Lease is in full force and effect and has not been modified except as may be represented by Landlord.

#### **19. Liens.**

Tenant shall keep the Premises free from any liens arising out of any work performed, materials furnished or obligations incurred by or on behalf of Tenant and shall indemnify, defend and hold Landlord harmless for, from, against and regarding all claims, costs and liabilities, including attorneys' fees and costs, in connection with or arising out of any such lien or claim of lien.

#### **20. Attorneys' Fees; Waiver of Jury Trial.**

In the event that any party shall bring an action to enforce its rights under this Lease, the prevailing party in any such proceeding shall be entitled to recover its reasonable attorneys, witness and expert fees and costs of the proceeding incurred at and in preparation for discovery (including depositions), arbitration, trial, appeal and review, and also any litigation or other proceedings in bankruptcy including those involving issues unique to bankruptcy law. The provisions of this Paragraph 20 are separate and severable and shall survive a judgment on this Lease. Disputes between the parties which are to be litigated shall be tried before a judge without a jury.

#### **21. Limitation on Liability; Transfer by Landlord.**

21.1. Property and Assets. Tenant shall look solely to the property and assets of Landlord for the payment of any claim against Landlord or for the performance of any obligation of Landlord; neither the joint venturers, general partners, limited partners, members, employees, nor agents (as the case may be) of Landlord shall have any personal liability for obligations entered into on behalf of Landlord (or its predecessors in interest) and their respective properties shall not be subject to the claims of any person in respect of any such liability or obligation. As used herein, the words "property and assets of Landlord" means only Landlord's interest in the Building and excludes all other assets of Landlord and any rights of Landlord for the payment of capital contributions or other obligations to it by any joint venturer, general partner, limited partner or member (as the case may be) in such capacity.

21.2. Transfer by Landlord. All obligations of Landlord hereunder will be binding upon Landlord only during the period of its possession of the Premises and not thereafter. The term "Landlord" shall mean only the owner of the Premises for the time being, and if such owner transfers its interest in the Premises, such owner shall thereupon be released and discharged from all covenants and obligations of the Landlord thereafter accruing, but such covenants and obligations shall be binding during the Lease Term upon each new owner for the duration of each owner's ownership.

21.3. Other Occupants. Landlord shall have no liability to Tenant for loss or damages arising out of the acts or inaction of other tenants or occupants.

## **22. Real Estate Brokers; Finders.**

The parties acknowledge that Kristin K. Hammond, Ajay Malhotra and Alison M. Vaughan of CBRE have represented Tenant in the negotiation of this Lease and that a real estate commission shall be paid to CBRE (Kristin K. Hammond, Ajay Malhotra and Alison M. Vaughan) by Landlord pursuant to a separate agreement. Each party shall indemnify, defend, protect and hold the other party harmless for, from, against and regarding all claims, costs, demands, actions, liabilities, losses and expenses (including the reasonable attorneys' fees of counsel chosen by the other party) arising out of or resulting from any claims that may be asserted against such other party, by any other broker, finder or other person with whom the party bearing the indemnity obligation has, or purportedly has, dealt. Each party's respective obligations pursuant to the foregoing indemnity shall survive the expiration or sooner termination of this Lease.

## **23. Other.**

23.1. Force Majeure. The occurrence of any of the following events shall excuse the performance of such obligations of Landlord or Tenant to the extent thereby rendered impossible or not reasonably practicable for so long as such event continues so long as the party under this Lease required to perform gives prompt notice of such delay to the other party: strikes; lockouts; labor disputes; acts of God; inability to obtain labor, materials or reasonable substitutes therefor; governmental restrictions, regulations, or controls; judicial orders; enemy or hostile government action; terrorism; civil commotion; fire or other casualty; condemnation and other causes beyond the reasonable control of the party obligated to perform; provided, that in no event will the occurrence of any of said events or causes excuse the failure to pay rent or any other payment to be made by Tenant hereunder strictly as and when required under this Lease.

23.2. Interest; Late Charges. Rent not paid within ten (10) days of when due shall bear interest from the date due until paid at the rate of the lesser of (i) eight percent (8%) per annum or (ii) the maximum rate permitted by Applicable Law. Landlord may at its option impose a late charge of \$.05 for each \$1.00 of rent for rent payments made more than ten (10) days late in addition to interest and other remedies available for default. Any such late charge and interest shall be payable by Tenant as Additional Rent hereunder, and shall be payable within thirty (30) days of Landlord's written demand therefor. Tenant acknowledges and agrees that any such late payment by Tenant will cause Landlord to incur costs and expenses not contemplated by this Lease, the exact amounts of which will be extremely difficult to ascertain, and that such late charge represents a fair estimate of the costs and expenses which Landlord would incur by reason of Tenant's late payment. Tenant further agrees that such late charge shall neither constitute a waiver of Tenant's default with respect to such overdue amount nor prevent Landlord from exercising any other right or remedy available to Landlord.

23.3. Captions; Paragraph Headings. The captions and headings used in this Lease are for the purpose of convenience only and shall not be construed to limit or extend the meaning of any part of this Lease. Reference to a "Paragraph" shall mean reference to either a specified numbered paragraph or subparagraph of this Lease.

23.4. Nonwaiver. Waiver by either party of strict performance of any provision of this Lease shall not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision.

23.5. Succession. Subject to the limitations on transfer of Tenant's interest, this Lease shall bind and inure to the benefit of the parties, their respective heirs, successors, and assigns.

23.6. Entry for Inspection. Landlord and its authorized representatives shall have the right to enter upon the Premises with reasonable notice (but in no event shall more than twenty-four (24) hours' notice be required) to determine Tenant's compliance with this Lease, to make necessary repairs to the Building or the Premises, or to show the Premises or the Building to

any prospective tenant or purchasers. Landlord may place and maintain upon the Building and/or Premises notices for leasing or sale of the Building and/or the Premises. Landlord may enter upon the Premises without notice by any means necessary in the case of an emergency.

23.7. Notices. Any notice permitted or required to be given hereunder shall be in writing and shall be given by personal delivery or certified United States mail (return receipt requested), U.S. Express Mail or overnight air courier, in each case postage or equivalent prepaid, addressed to the address for notices set forth in the Basic Lease Terms. The person to whom and the place to which notices are to be given may be changed from time to time by either party by written notice given to the other party. If any notice is given by mail, it shall be effective upon the earlier of (i) seventy-two (72) hours after deposit in the U.S. Mail with postage prepaid, or (ii) actual delivery or refusal to accept such delivery, as indicated by the return receipt; and if given by personal delivery, U.S. Express Mail or by overnight air courier, when delivered or upon rejection by the recipient.

23.8. Entire Agreement. This Lease is the entire agreement between the parties, and there are no agreements or representations between the parties except as expressed herein.

23.9. Warranties of Landlord. The person executing this Lease on behalf of Landlord warrants to Tenant that Landlord is a valid and existing corporation or other relevant entity, that Landlord has all right and authority to enter into this Lease, and that the person executing on behalf of Landlord is authorized to do so.

23.10. Warranties of Tenant.

23.10.1. Authority. The person(s) executing this Lease on behalf of Tenant warrant(s) to Landlord that Tenant has all right and authority to enter into this Lease, and that each and every person executing on behalf of Tenant is authorized to do so.

23.10.2. Incorporation; Formation. Tenant represents and warrants to Landlord that (i) Tenant is duly organized, and validly existing under the laws of the State of Delaware as of the Effective Date and that Tenant shall remain so throughout the Lease Term, and (ii) Tenant is qualified to do business in, and is in good standing under, the laws of the State of Washington as of the Effective Date and that Tenant shall remain so throughout the Lease Term.

23.10.3. Evidence. Upon Landlord's request, Tenant shall provide evidence satisfactory to Landlord confirming the warranties set forth in this Paragraph 23.10.

23.11. Time of Essence. Time is of the essence of the performance of each of Tenant's obligations under this Lease.

23.12. Modifications. This Lease may not be modified except by written endorsement attached to this Lease, dated and signed by the parties.

23.13. No Appurtenances. This Lease does not create any rights to light and air by means of openings in the walls of the Building, any rights or interests in parking facilities, or any other rights, easements or licenses, by implication or otherwise, except as expressly set forth in this Lease or its exhibits.

23.14. Financial Statements. Upon written request of Landlord, not more than one time per calendar year during the Lease Term, Tenant shall furnish to Landlord, within ten (10) days following receipt of Landlord's written request, Tenant's current financial statements (including balance sheet and income statement for the year most recently ended); Tenant agrees that these financial statements must be accurate and be prepared in the ordinary course of Tenant's business and, if not audited, certified by the chief financial officer or accounting officer of Tenant that such statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). Landlord may make such financial statement available to any prospective lender or purchaser of the Park or any portion thereof, provided that such parties agree in writing to keep such financial statement confidential. Landlord shall otherwise keep such financial statement confidential and shall require any such prospective lender or purchaser to do the same.

23.15. Rules and Regulations. Landlord shall have the right to make and enforce rules, regulations and criteria consistent with this Lease for the purpose of promoting safety, order, cleanliness and good service to the tenants and other occupants of the Park. Copies of all such rules and regulations, if any, shall be furnished to Tenant and shall be complied with as if part of this Lease.



23.16. Applicable Law; Severability. This Lease shall be construed, applied and enforced in accordance with the laws of the State in which the Premises are located. If a court of competent jurisdiction holds any portion of this Lease to be illegal, invalid or unenforceable as written, it is the intention of the parties that (i) such portion of this Lease be enforced to the extent permitted by law and (ii) the balance of this Lease remain in full force and effect. It is also the intention of the parties 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 terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

23.17. Landlord's Consent. Whenever Landlord's consent or approval is required under this Lease, except as otherwise expressly provided in this Lease, Landlord may grant or withhold such consent or approval in Landlord's sole and absolute discretion.

23.18. Construction and Interpretation. All provisions of this Lease have been negotiated by Landlord and Tenant at arm's length and neither party shall be deemed the author of this Lease. This Lease shall not be construed for or against either party by reason of the authorship or alleged authorship of any provision hereof or by reason of the status of the respective parties as Landlord or Tenant.

23.19. No Recordation. Neither this Lease, nor any short form or memorandum thereof, shall be recorded in any manner against the real property of which the Premises comprises a portion.

23.20. No Partnership Created. Neither this Lease nor the calculation and payment of Base Rent, Additional Rent or any other sums hereunder, is intended to create a partnership or joint venture between Landlord and Tenant, or to create a principal-and-agent relationship between the parties.

23.21. OFAC. Tenant represents and warrants to Landlord that Tenant is not and shall not become a person or entity with whom Landlord is restricted from doing business under any current or future regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including, but not limited to, those named on OFAC's Specially Designated and Blocked Persons list) or under any current or future statute, executive order (including, but not limited to, the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and shall not engage in any dealings or transaction or be otherwise associated with such persons or entities.

23.22. Equal Employment Opportunity. Landlord and Tenant shall abide by the requirements of 41 CFR 60-300.5(a) and 41 CFR 60-741.5(a). These regulations prohibit discrimination against qualified individuals and protected veterans on the basis of disability or veteran status, and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities and protected veterans.

23.23. Confidentiality. Tenant shall not disclose to any third party the terms or provisions of this Lease, nor any communications or information sent to Tenant from Landlord under or pursuant to this Lease, except only as may be required by law.

23.24. Counterparts; Delivery by Facsimile or Electronic Mail. This Agreement may be executed in counterparts, each of which will be considered an original and all of which together will constitute one and the same agreement. This Agreement or any counterpart may be executed and delivered by facsimile or by electronic mail in pdf format and such signatures shall be binding upon the party delivering the same as if they were originals, with an executed original hard copy to follow via overnight courier or U.S. mail at the request of any party hereto.

23.25. Exhibits. The following exhibits are attached hereto and incorporated herein by this reference:

- Exhibit A Site Plan Showing Park and Building
- Exhibit B Site Plan Showing Premises
- Exhibit C-1 Building Shell Description and Definition
- Exhibit C-2 Landlord's Work Exhibit C-3 Concurrent Landlord's Work
- Exhibit C-4 Tenant's Space Plan
- Exhibit C-5 Exterior Elevations
- Exhibit D Standard Specifications for Tenant Spaces
- Exhibit E Hazardous Substances

## 24. Special Provisions.

24.1. Option to Renew. Subject to the condition that Tenant shall not, at the time Landlord receives the Option Notice hereunder or at the time of commencement of the Renewal Term hereunder, be in default of any of the terms of this Lease beyond applicable notice and cure periods (if any), Tenant is hereby granted an option to renew the Lease Term for one (1) period of sixty (60) months (the "Renewal Term") to commence on the day following the expiration of the Initial Term of this Lease. Tenant must exercise this option, if at all, by delivering irrevocable written notice of such election (the "Option Notice") to Landlord at least twelve (12) months prior to the expiration of the Initial Term. If Tenant does not validly deliver an Option Notice to renew the Lease Term for the Renewal Term, the provisions of this Paragraph 24.1 shall be null and void and of no further force or effect. Any such renewal of this Lease shall be upon the same terms and conditions as this Lease except that Base Rent during the Renewal Term shall be determined as provided in Paragraph 24.2 and Landlord shall have no obligation to perform any tenant improvements or other work in connection with any such renewal of this Lease. Except to the extent specifically provided in this Paragraph 24.1, Tenant has no rights to renew the Lease Term.

24.2. Base Rent During Renewal Term. Base Rent during the Renewal Term shall be the fair market rental value for the Premises, which shall be determined by mutual agreement of Landlord and Tenant at least nine (9) months prior to the commencement of the Renewal Term (the period from Landlord's receipt of the Option Notice through the date that is nine (9) months prior to the commencement of the Renewal Term being referred to herein as the "Negotiation Period"), but in no event less than the Base Rent then currently payable by Tenant immediately prior to the commencement of the Renewal Term. If Landlord and Tenant cannot agree on the fair market rental value for the Premises, the fair market rental value shall be determined in accordance with Paragraph 24.3 below. If, for any reason, Base Rent for the Renewal Term is not determined prior to the beginning of the Renewal Term, then Tenant shall continue to pay the Base Rent amount in effect immediately preceding the commencement of the Renewal Term and, upon final determination of Base Rent for the Renewal Term, Tenant shall pay to Landlord a cash payment equal to the sum of such amounts as may be necessary to adjust each monthly Base Rent payment which has been made hereunder to the Base Rent effective as of the Renewal Term.

### 24.3. Market Base Rent.

24.3.1. Market Base Rent. For purposes of this Paragraph 24.3 the term "Market Base Rent" shall mean the average (mean) of the annual base rental rates then being charged to renewing tenants for space located in the Vancouver, Washington metropolitan area and comparable to the Premises, taking into consideration all relevant factors including, without limitation, use, location, floor level within the applicable building, size, parking rights (to the extent that parking rights are a factor in determining base rental rates in the then current marketplace). It is agreed that bona fide written offers to lease the Premises or similar premises in the Building made to Landlord by third parties (at arms-length) may be used by Landlord as an indication of Market Base Rent. Notwithstanding any provision to the contrary set forth herein, in no event shall the Market Base Rent for the Renewal Term be less than the Base Rent then currently payable by Tenant immediately prior to the commencement of the Renewal Term.

24.3.2. Determination. Landlord shall submit its opinion of Market Base Rent to Tenant within fifteen (15) days after expiration of the Negotiation Period and Tenant shall respond thereto within ten (10) days thereafter by either (i) accepting Landlord's opinion of Market Base Rent (in which case, such Market Base Rent shall be used to determine Base Rent during the Renewal Term) or (ii) submitting Tenant's opinion of Market Base Rent. If Landlord and Tenant cannot agree upon the Market Base Rent of the Premises within fifteen (15) days thereafter, then Landlord and Tenant within five (5) days shall each submit to each other their final written statement of Market Base Rent ("Final Statement"). If the Market Base Rent set forth in Landlord's Final Statement ("Landlord's Market Base Rent") and the Market Base Rent set forth in Tenant's Final Statement ("Tenant's Market Base Rent") differ by five percent (5%) or less of the lesser of the respective Market Base Rent submittals, the Market Base Rent for the Renewal Term shall be the average of Landlord's Market Base Rent and Tenant's Market Base Rent. If Landlord's Market Base Rent and Tenant's Market Base Rent differ by more than five percent (5%) of the lesser of the respective Market Base Rent submittals, within ten (10) days after submitting their respective Final Statement, Landlord and Tenant shall together appoint

one real estate appraiser who shall be a Member of the American Institute of Real Estate Appraisers and be disinterested (the "Appraiser"). If Landlord and Tenant cannot mutually agree upon an Appraiser within said ten (10) day period, the parties shall jointly apply to the Presiding Judge of the Superior Court for the County in which the Premises are located (the "Judge"), requesting said Judge to appoint the Appraiser; if either Landlord or Tenant does not so apply to the Judge within five (5) days following the expiration of the ten (10) day period, the real estate appraiser initially suggested by the party who timely applied to the Judge shall be deemed the Appraiser for purposes of the arbitration. The parties shall share equally any costs of such application to the Judge. Within ten (10) days following selection or appointment of the Appraiser, the Appraiser shall determine whether Landlord's or Tenant's Final Statement of Market Base Rent is the closest to the actual (in such Appraiser's opinion) Market Base Rent of the Premises and shall select either Landlord's or Tenant's Final Statement of Market Base Rent as the closest to the actual (in such Appraiser's opinion) Market Base Rent of the Premises, without any compromising or averaging. The Market Base Rent for the Premises as determined pursuant to the immediately preceding sentence shall be the Market Base Rent used in determining Base Rent during the Renewal Term. The fees and expenses of said Appraiser shall be borne equally by Landlord and Tenant.

24.4. Right of First Opportunity to Lease. Subject to any rights of other tenants which exist at the time this Lease is executed and the provisions of this Paragraph 24.4 at such time or times that the space located immediately adjacent to the Premises (the "Available Space") becomes or will become vacant during the Lease Term (an "Availability Event"), Landlord shall deliver to Tenant a written notice of the availability of the particular Available Space (the "Availability Notice"). The Availability Notice shall include the rental rate, length of term and any other pertinent terms in Landlord's sole discretion upon which Landlord is prepared to lease such Available Space ("Availability Notice Terms"). So long as at the time of an Availability Event, (i) Tenant is not in default under this Lease, (ii) this Lease is in full force and effect and (iii) Tenant is open and operating in the entire Premises, Tenant may provide irrevocable written notice to Landlord of Tenant's election to expand the Premises to include the relevant Available Space ("Tenant's Expansion Notice"). Tenant shall have ten (10) days after receipt of the Availability Notice to deliver Tenant's Expansion Notice. If Tenant timely delivers Tenant's Expansion Notice to Landlord, such notice shall be irrevocable and Tenant and Landlord shall execute an amendment to this Lease covering the Available Space in accordance with the Availability Notice Terms. Tenant must lease the entire Available Space described in the relevant Availability Notice rather than a portion thereof. If Tenant does not timely deliver Tenant's Expansion Notice to Landlord or otherwise elects not to lease the relevant Available Space as set forth herein, Tenant's right of first opportunity with respect to that Available Space shall terminate and Landlord will have the right to lease that Available Space to any other person or entity upon any terms and conditions that Landlord desires, in its sole discretion. Landlord will not be required to offer to Tenant any Available Space if the tenant then occupying that Available Space renews, extends or enters into a new lease of that Available Space.

24.5. Rooftop Equipment; Generator.

24.5.1. Rooftop Equipment. Tenant shall have a non-exclusive right to use a portion of the Building's roof in a location reasonably acceptable to both Landlord and Tenant for installation and maintenance, at Tenant's sole cost and expense (subject to the TI Allowance, if any), of (a) one satellite dish/antennae on the roof of the Building (and reasonable equipment and cabling related thereto), solely in connection with Tenant's Permitted Use of the Premises and not for the use by any third parties whatsoever, for receiving of signals or broadcasts (as opposed to the generation or transmission of any such signals or broadcasts) (all such equipment is defined collectively as the "Telecommunications Equipment"), and (b) HVAC equipment, conduit and other related equipment and hood venting, if and as allowed under the Tenant Improvements or as an Alteration (the "Ancillary Equipment") (collectively, the Telecommunications Equipment and the Ancillary Equipment are the "Rooftop Equipment"). Prior to installing any Rooftop Equipment, Tenant shall submit plans and specifications for the Rooftop Equipment in the same manner required for Tenant Improvements or Alterations, as the case may be. Landlord shall have the right to limit or require modifications to the amount, location and/or the size of the Rooftop Equipment or any other aspect of such plans, in Landlord's reasonable judgment. The Rooftop Equipment shall, at Landlord's discretion and at Tenant's sole cost and expense, be screened from street view and shall be within allowable structural load capacities of the Building. There shall be no cabling running across the rooftop. The Telecommunications Equipment shall not interfere with the transmission or operation of any other equipment located on or in the Building. Tenant shall maintain the Rooftop Equipment, at Tenant's sole cost and expense. Tenant shall remove the Rooftop Equipment upon the expiration or earlier termination of the Lease, and shall return the affected portion of the rooftop

and the Premises to the condition the rooftop and the Premises would have been in had no such Rooftop Equipment been installed (reasonable wear and tear excepted, provided that the standard of acceptable normal wear and tear shall be determined as though no Rooftop Equipment had been located on the rooftop). Any and all work on the roof or any portion thereof in connection with the installation, maintenance, repair and/or removal of the Rooftop Equipment shall be performed by a roofing contractor, approved in advance by Landlord, at Tenant's expense and all work performed in connection with the Rooftop Equipment shall be performed in such manner as to not invalidate Landlord's roof warranty (if any). Notwithstanding any review or approval by Landlord of any specifications, or the plans for installation, of Rooftop Equipment, Tenant shall remain solely liable for any damage to any portion of the roof or roof membrane, specifically including any penetrations, in connection with Tenant's installation, use, maintenance and/or repair of such Rooftop Equipment, and Landlord shall have no liability therewith. The Rooftop Equipment shall, in all instances, comply with all Applicable Laws.

24.5.2. Generator. Tenant shall have the right to install, at its sole cost and expense, a back-up generator and related equipment for the Premises in the location shown on the Space Plan and to install related cabling (collectively, the "Generator"). The Generator shall be screened by an enclosure which is architecturally integrated with the Building and mutually agreed upon by the parties in writing. Prior to installing the Generator, Tenant shall submit plans and specifications for the Generator in the same manner required for Tenant Improvements or Alterations, as the case may be. Landlord shall have the right to limit or require modifications to the amount, location and/or the size of the Generator or any other aspect of such plans, in Landlord's reasonable judgment. Tenant shall maintain the Generator in good working order and condition, at Tenant's sole cost and expense. Any testing of the Generator shall occur during the Building's normal business hours. Tenant shall remove the Generator upon the expiration or earlier termination of the Lease, and shall repair any damage caused thereby.

24.6. Tenant's Restoration Obligations.

24.6.1. North and South Corridors. For and in consideration of Landlord's agreement to modify the North and South corridors that Landlord would have built but for this Lease in order to increase the square footage of the Premises, on or before the termination of this Lease, Tenant shall, at its sole cost and expense, restore and/or construct the South and North corridors of the Building in accordance with the plans and specification attached hereto as Exhibit G and with all Applicable Laws, including, without limitation, obtaining any required permits or other governmental approvals.

24.6.2. Electrical Service. On or before termination of the Lease, Tenant shall remove the switchgear section and meter section installed by or on behalf of Tenant in the Building's main southwest electrical room, and in its place install a new switchgear and meter section supplied by Landlord. Tenant will cover all associated shutdown, removal and installation costs, including without limitation permitting, fees and coordination with the local jurisdiction and utility company.

[signatures on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Lease on the respective dates set opposite their signatures below, but this Lease, on behalf of such party, shall be deemed to have been dated as of the Effective Date.

**LANDLORD:**

COLUMBIA TECH CENTER, L.L.C.,  
a Washington limited liability company

By: Pacific Realty Associates, L.P.,  
a Delaware limited partnership  
its Member

By: PacTrust Realty, Inc.,  
a Delaware corporation,  
its General Partner

Date: 12/2, 2020

By: /s/ Matthew R. Krueger  
Matthew R. Krueger, Vice President

**TENANT:**

ABSCI CORPORATION,  
a Delaware corporation

Date: December 1, 2020

By: /s/ Sean McClain  
Printed Name: Sean McClain  
Its: CEO

[acknowledgments on following page]

(Acknowledgment by Landlord)

STATE OF OREGON )  
 ) ss.  
County of Washington )

On December 2, 2020, before me, the undersigned Notary Public in and for said State, personally appeared Matthew R. Krueger, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the Vice President of PacTrust Realty, Inc., the general partner of Pacific Realty Associates, L.P. (the "Partnership"), said Partnership being a member of Columbia Tech Center, L.L.C., and that he executed the within instrument and acknowledged to me that such corporation executed the within instrument as the general partner of the Partnership pursuant to its Bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.

/s/ Alexandria Eileen Kirby  
Notary Public in and for said County and State  
My Commission Expires: May 24, 2024

(Acknowledgment by Tenant)

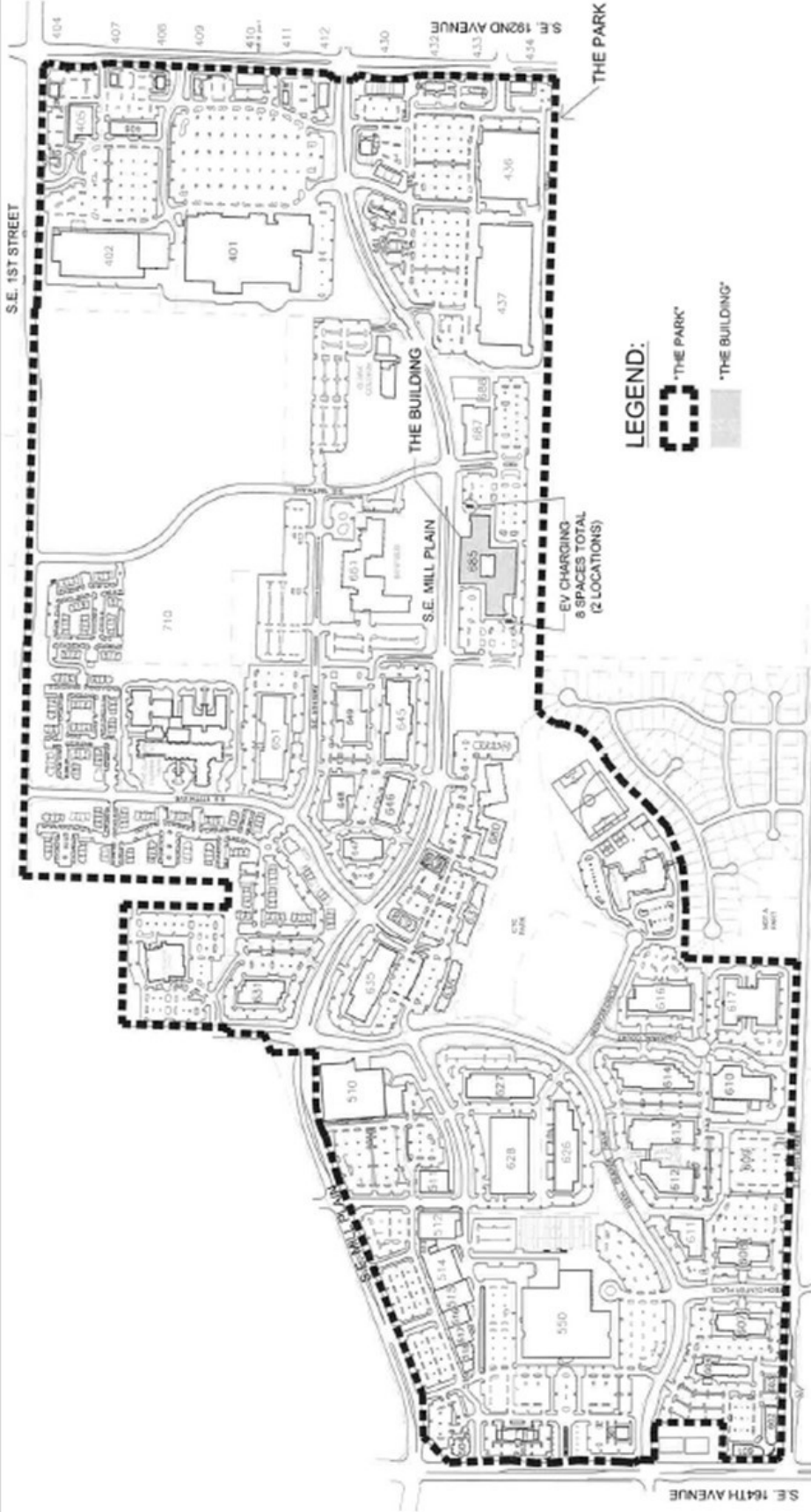
STATE OF Washington )  
 ) SS.  
County of Clark )

On this 1st day of December 2020, before me, personally appeared Sean McClain to me known to be the CEO of AbSci Corporation, a Delaware corporation, the company that executed the foregoing instrument, and acknowledged the said instrument to be free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument and that the seal affixed is the corporate seal of said company.

WITNESS my hand and official seal.



Sara Mirabella  
Notary Public in and for said County and State  
My Commission Expires: 10/16/23



LEGEND:  
 "THE PARK"  
 "THE BUILDING"

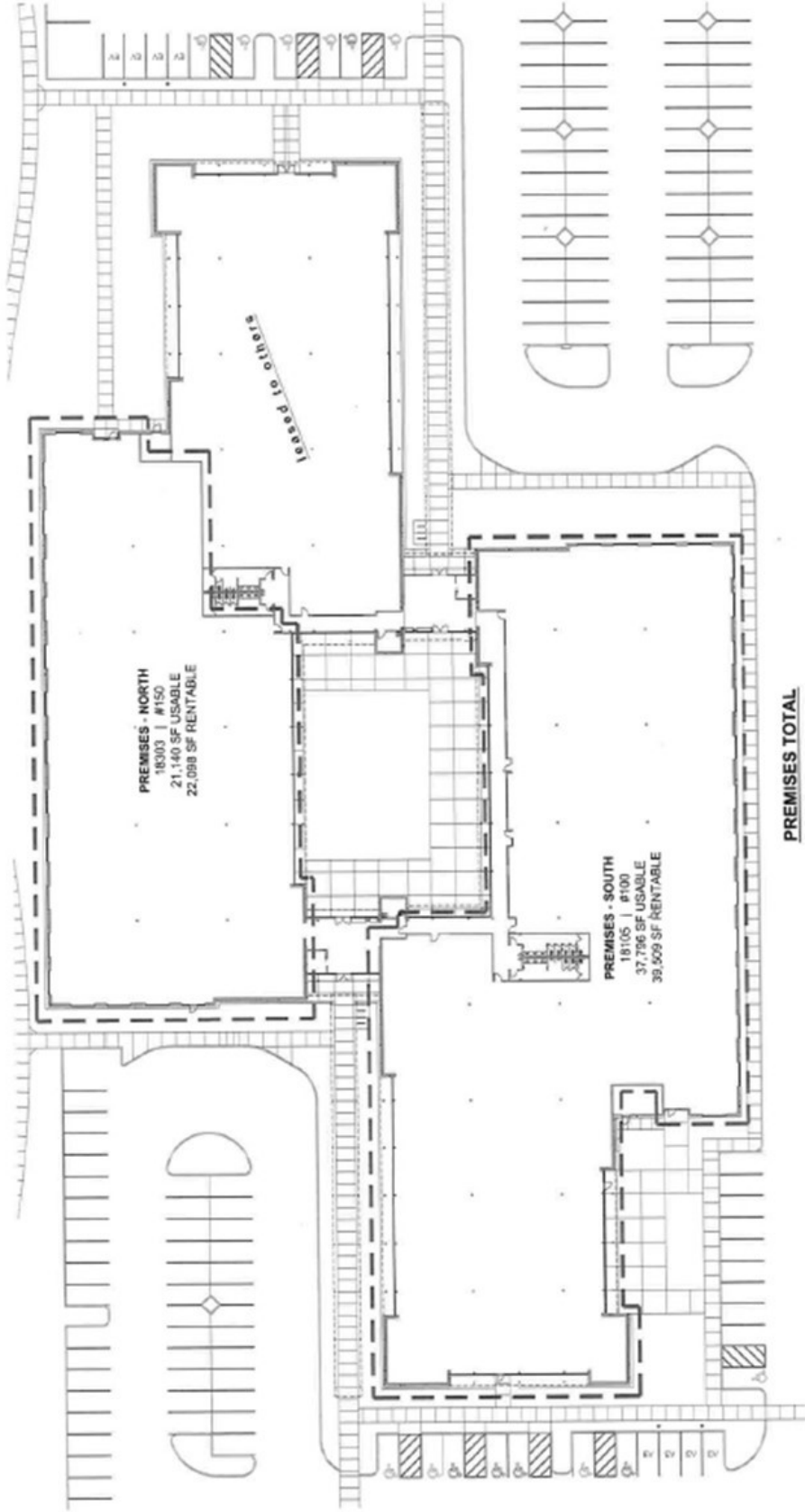
**EXHIBIT A**  
**ABSCI, LLC,**  
 A DELAWARE LIMITED LIABILITY COMPANY

**COLUMBIA TECH CENTER**  
 VANCOUVER, WASHINGTON 98683

**FACTRUST**

rev 11/20/20





**PREMISES - NORTH**  
 18303 | #150  
 21,140 SF USABLE  
 22,098 SF RENTABLE

**PREMISES - SOUTH**  
 18105 | #100  
 37,796 SF USABLE  
 39,509 SF RENTABLE

**PREMISES TOTAL**  
 58,936 SF USABLE  
 61,607 SF RENTABLE

**EXHIBIT B**

**ABSCI, LLC,**  
 A DELAWARE LIMITED LIABILITY COMPANY

**COLUMBIA TECH CENTER**

clc685 (Bldg. #685)  
 18105 SE MILL PLAIN BLVD., #100  
 VANCOUVER, WA 98683

**PACITRUST**



REV. 11/20/20



**EXHIBIT C-1**

**BUILDING 685, COLUMBIA TECH CENTER  
Building Shell Description and Definition**

**AbSci Corp.**

**November 23, 2020**

**GENERAL -**

The Building Shell Description and Definition included in this Exhibit "C-1" is intended to describe the extent of work included as Building Shell and to define work to be charged against tenant improvement work or allowances. The "Building Shell" consists of the shell, core, and systems of the Building, as further defined herein. Completion of the Building Shell shall be Landlord's Work, as that term is described in the Lease.

**ARCHITECTURE AND DESIGN -**

Architecture and design required to construct the building shell and site work are included as part of the Building Shell. Architecture and design required to construct tenant improvements are tenant improvement work.

**PERMITS AND FEES -**

Permits and fees required to construct the building shell and site work are included as part of the Building Shell. Such fees include site development review fees, building shell and site work permit and plan check fees, water meter and water system development charges, sewer system development charges when based on meter size, storm water review fees, and traffic impact fees for office occupancy. These fees are payable to the City of Vancouver as part of the project permitting process. Power systems development fees, payable to Clark Public Utilities for connection to the power utility system, are included as part of building shell and site work.

Permits and fees required for tenant improvements and those based on the Tenant's occupancy or use are tenant improvement work. Such fees include tenant improvement building permit and plan check fees, water system development charges when based on non-office occupancy, sewer system development charges when based on fixture units or tenant's use, and traffic impact fees if assessed higher than office occupancy.

**SITE WORK -**

All site improvements required for a complete and operable facility are included as part of the Building Shell. Site work includes utilities such as water, sanitary sewer, natural gas, power, phone system conduits and fiber/cable system conduits stubbed to the Premises and available for connection by Tenant. Site work also includes storm water collection, detention, and disposal; asphalt paving; concrete sidewalks; concrete patio slab; trash enclosure or screen; landscaping and landscape irrigation; and site lighting. Site lighting, average approximately 0.5 foot-candle at ground level, shall be provided using wall and/or pole mounted light fixtures.

Modifications to site work to accommodate special tenant requirements are part of tenant improvement work. If approved by Landlord, this would include items such as exterior fencing; equipment pads; noise or special visual screening; installation of grease or oil interceptors or traps; and upgrading of electrical, storm sewer or sanitary sewer systems.

**BUILDING ENVELOPE -**

The basic building envelope defined as Building Shell includes shallow, concrete foundations; concrete slab on grade; steel and wood roof structure; exterior walls constructed of tilt-up concrete and metal stud framing; exterior wall "skin" constructed of metal siding and paint; hollow metal doors, frames, and hardware as indicated on drawings or exhibits; and exterior aluminum and glass window and storefront systems as indicated on drawings or exhibits. The Building Shell roof membrane shall be constructed using single-ply roofing.

Modifications to the building envelope to accommodate special tenant requirements are part of tenant improvement work. This includes work such as floor cutting and patching for plumbing or electrical work, roof cutting and patching for plumbing, electrical or mechanical work, and other modifications to floors, walls, roof, windows, or doors. Tenant specific access and security systems, panic hardware, card lock entries, and other special door hardware, if required, are part of tenant improvement work. The addition of fire rated separation walls, fire sprinkler system upgrades, storage rack sprinklers, smoke vents, curtain boards, small hose stations, and

firefighter entrances, if required due to Tenant's rack configuration, storage of products, or business operations, are part of tenant improvement work.

## **BUILDING SHELL –**

**COMMON AREAS:** Areas shared among tenants in the building (the "Common Area") include shared toilet rooms, toilet room hallways, and shared electrical and fire riser room.

**SLAB ON GRADE:** The Building Shell slab on grade shall be minimum 5" thick, unreinforced concrete, with compressive strength design of 3500 PSI at 28 days. Interior floor slabs shall be smooth trowel finished, ready for preparation for floor finishes. 15 mil vapor barrier by Stego Industries or equivalent with taped seams shall be provided under the entire slab on grade.

**EXTERIOR WALLS:** Exterior concrete walls within the Building Shell are exposed and insulated per code. Gypsum board for exterior walls is part of tenant improvement work.

**ROOF STRUCTURE:** The Building Shell roof structure shall be constructed using metal columns, girders and joists, with wood framing members, and wood roof decking. Building structure clear height (lowest structural element) shall be 15 feet. The Building Shell roof structure shall be insulated with Code-required rigid insulation and shall remain exposed. Painting of roof structure and supporting elements, if required, is part of tenant improvement work. Metal stud furring and gypsum board for roof columns, if required, are part of tenant improvement work.

**EXTERIOR ENTRIES AND MAN DOORS:** Building Shell doors are included as shown on drawings or exhibits. Doors in aluminum systems include single or double storefront doors with push-pull hardware, crash bar panic hardware and surface-mounted closers.

**COMMON AREA DOORS AND SUITE ENTRIES:** Building Shell doors include doors into toilet rooms and other Common Area rooms. Suite entries and exit doors between the demised space and the Common Area are tenant improvement work. Suite entries and exit doors include doors, doorframes, relites where applicable, and door hardware.

**COMMON AREA WALLS:** Building Shell construction includes framing, insulation, and finished gypsum board on the common area side of Common Area walls. Tenant improvement construction includes furnishing and installation of smooth finished gypsum board on the tenant side of Common Area walls.

**DEMISING WALLS:** Building Shell construction includes walls separating the demised space from neighboring tenant space. Demising walls include smooth finished gypsum board on the tenant side of Common Area walls from floor to roof structure.

**INTERIOR IMPROVEMENTS:** Interior partitions, doors, ceilings, millwork, and finishes within the Common Area are installed under Building Shell construction. All partitions, doors, ceilings, millwork, and interior finishes within the demised space are tenant improvement work.

**FLOORING:** The Building Shell floor shall be exposed concrete. Building Shell construction includes flooring within the Common Area. Floor preparation and finishes within the demised space are tenant improvement work.

**PAINTING:** Building Shell construction includes painting within the Common Area and painting of the exterior side of exterior walls. The interior side of exterior walls shall be finished as part of tenant improvement work.

**WINDOW COVERINGS:** Window coverings, if required, are tenant improvement work.

**PLUMBING:** One minimum 4" diameter sanitary sewer waste line shall be installed under floor running the entire length of the Building Shell. Building Shell work also includes one minimum 1!4" insulated overhead copper water line, installed below the roof structure directly above the sanitary sewer, and construction of Common Area toilet facilities. All other plumbing work, including water, waste, and vent piping and furnishing and installation of plumbing fixtures within the demised space, is tenant improvement work. Air piping, gas piping, process piping, and other special piping if required, are part of tenant improvement work. At Landlord's sole discretion, tenant improvement work shall include furnishing and installation of a private water sub- meter with a remote reader to be located within the building Common Area electrical room.

**HEATING, VENTILATION, AND AIR CONDITIONING:** Building Shell includes necessary improvements to bring natural gas to a manifold location within two feet of the exterior building wall, with gas piping stubbed into the building and run overhead into the tenant space. Building Shell work includes complete HVAC systems and gas piping for the Common Area only. All other HVAC and gas piping systems are part of tenant improvement work.

**FIRE PROTECTION:** The Building Shell fire protection system includes service to the building with overhead sprinkler piping and heads, and Common Area fire protection work. The system shall be designed for Light Hazard occupancies. Tenant improvement work includes any fire sprinkler system upgrades within the demised space, including the addition of "drops" to the area below ceilings, and chrome, semi-recessed sprinkler heads installed in "center of tile" locations. Special fire suppression systems, if required for computer or kitchen equipment, are part of tenant improvement work.

**ELECTRICAL:** Building Shell electrical work includes a 1600 Amp, 277/480 Volt, 3-phase main underground service sections, each with five (5) available 200 Amp, 277/480 Volt meter sockets with fused disconnects for tenant improvements. Site lighting in the vicinity of the buildings shall be served from a "house" electrical service installed under Building Shell work. Parking lot and exterior building lighting and power are included as part of Building Shell construction. Building Shell work also includes electrical systems and lighting for the Common Area. Tenant improvement electrical work includes furnishing and installation of utility company meters in the main electrical service, distribution of power from the main building service to the space, and the addition of any sub-panels and transformers and upgrades to the electrical system as further described in the Lease. All electrical wiring and lighting shall be installed as part of the Tenant Improvements. If allowed by Landlord, generators, UPS systems, and wiring for sign lighting are part of tenant improvement work.

**FIRE ALARM:** Fire sprinkler flow monitoring is included under Building Shell work. Fire alarm work required due to the use, occupancy, or type of tenant improvement construction is part of tenant improvement work.

**SECURITY SYSTEMS:** Security systems, if required, shall be furnished and installed by Tenant.

**TELEPHONE AND COMPUTER SYSTEMS:** Telephone, data, and computer system equipment and wiring shall be furnished and installed by Tenant.

**SIGNAGE:** If allowed by Landlord, building-mounted and monument signage, including electrical work if applicable, is part of tenant improvement work.

be served from a "house" electrical service installed under Building Shell work. Parking lot and exterior building lighting and power are included as part of Building Shell construction. Building Shell work also includes electrical systems and lighting for the Common Area. Tenant improvement electrical work includes furnishing and installation of utility company meters in the main electrical service, distribution of power from the main building service to the space, and the addition of any sub-panels and transformers and upgrades to the electrical system as further described in the Lease. All electrical wiring and lighting shall be installed as part of the Tenant Improvements. If allowed by Landlord, generators, UPS systems, and wiring for sign lighting are part of tenant improvement work.

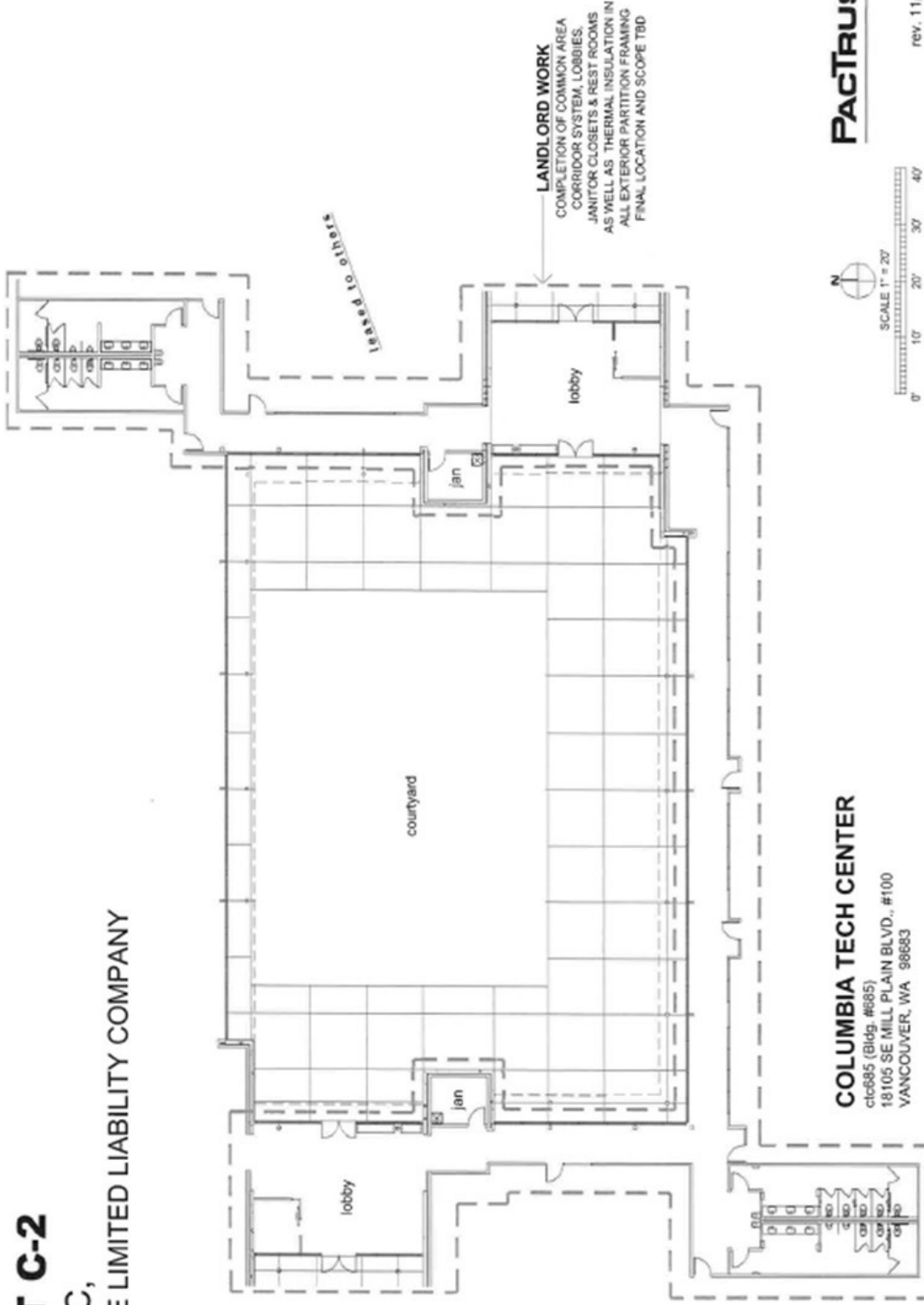
**FIRE ALARM:** Fire sprinkler flow monitoring is included under Building Shell work. Fire alarm work required due to the use, occupancy, or type of tenant improvement construction is part of tenant improvement work.

**SECURITY SYSTEMS:** Security systems, if required, shall be furnished and installed by Tenant.

**TELEPHONE AND COMPUTER SYSTEMS:** Telephone, data, and computer system equipment and wiring shall be furnished and installed by Tenant.

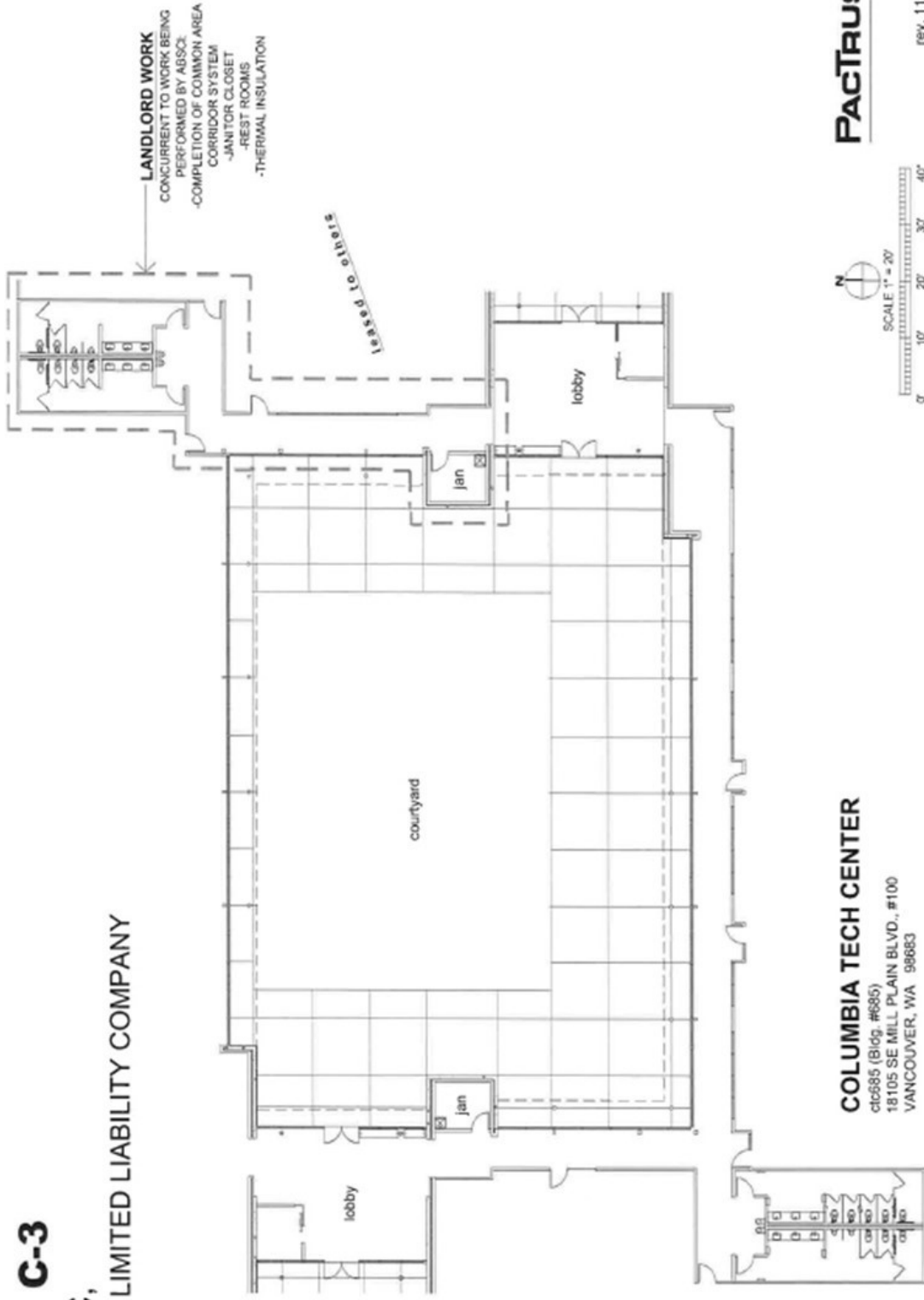
**SIGNAGE:** If allowed by Landlord, building-mounted and monument signage, including electrical work if applicable, is part of tenant improvement work.

**EXHIBIT C-2**  
ABSCI, LLC,  
A DELAWARE LIMITED LIABILITY COMPANY



# EXHIBIT C-3

ABSCI, LLC,  
A DELAWARE LIMITED LIABILITY COMPANY



## COLUMBIA TECH CENTER

ctc685 (Bldg. #685)  
18105 SE MILL PLAIN BLVD., #100  
VANCOUVER, WA 98683

## FACTRUST

rev. 11/23/20

# EXHIBIT C-4

## ABSCI, LLC, A DELAWARE LIMITED LIABILITY COMPANY

**BORA**

1000 MARKET STREET, SUITE 1000  
PHILADELPHIA, PA 19107  
PH: 215.562.1000  
WWW.BORACONSTRUCTION.COM

ISSUED FOR  
INFORMATIONAL  
PURPOSES ONLY  
NOT FOR  
CONSTRUCTION

ABSCI OFFICE / LAB TENANT  
IMPROVEMENT  
1185 SEAM FIVE BLDG. S/WK 100  
KINGMAN, VA 22080

DATE: 03/13/2020  
SCALE: 1/8" = 1'-0"

PROJECT: 1185 SEAM FIVE BLDG. S/WK 100  
SCHEDULED DESIGN  
3/13/2020  
SUB FLOOR PLAN -  
OFFICE

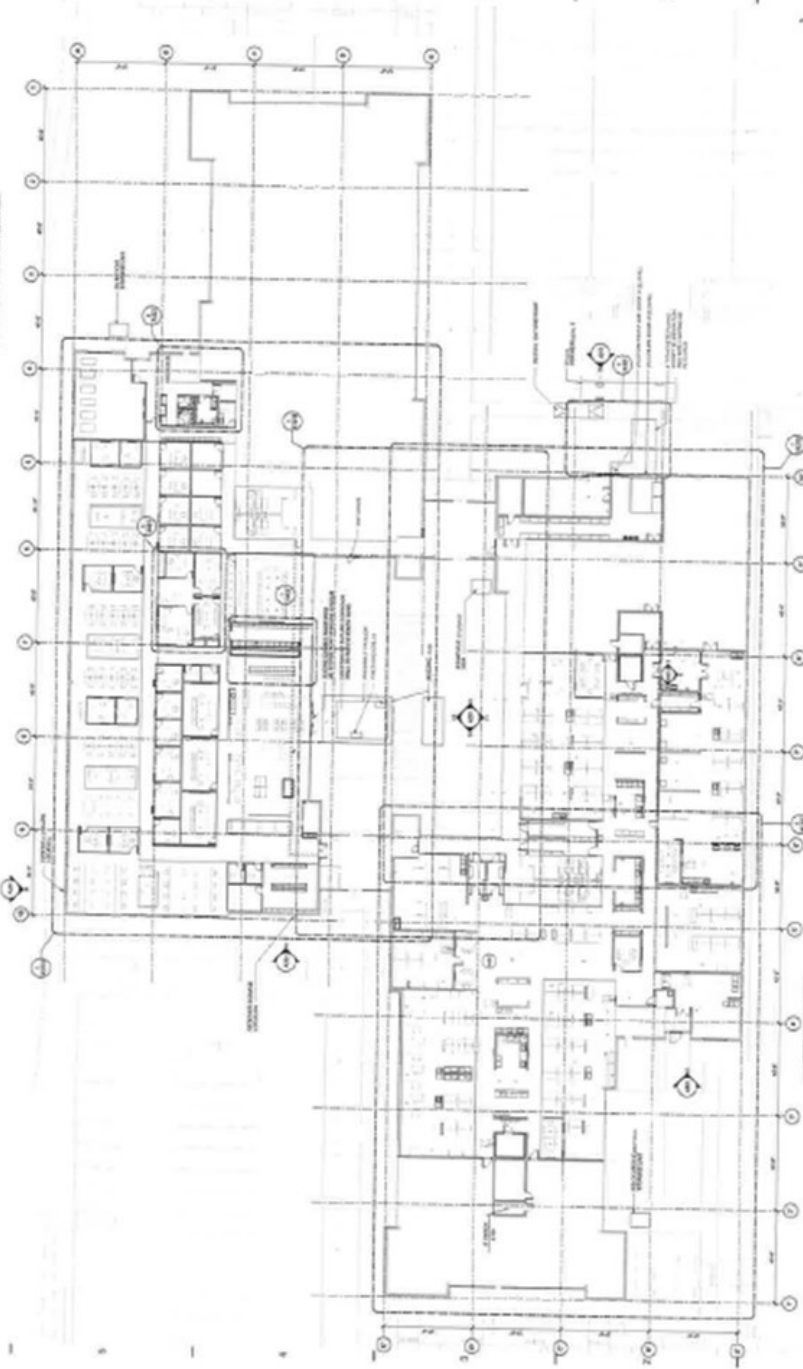
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**GENERAL ARCHITECTURAL NOTES**

1. REFER TO ALL NOTES ON ALL DRAWINGS.
2. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL BUILDING CODE (IBC) AND ALL APPLICABLE LOCAL, STATE AND FEDERAL CODES.
3. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL MECHANICAL AND ELECTRICAL CODE (IMC) AND ALL APPLICABLE LOCAL, STATE AND FEDERAL CODES.
4. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL PLUMBING AND MECHANICAL CODE (IPMC) AND ALL APPLICABLE LOCAL, STATE AND FEDERAL CODES.
5. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL FIRE AND SAFETY CODE (IFSC) AND ALL APPLICABLE LOCAL, STATE AND FEDERAL CODES.
6. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL ENERGY CONSERVATION CODE (IECC) AND ALL APPLICABLE LOCAL, STATE AND FEDERAL CODES.
7. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL SMOKE CONTROL CODE (ISCC) AND ALL APPLICABLE LOCAL, STATE AND FEDERAL CODES.
8. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL SAFETY CODE (ISC) AND ALL APPLICABLE LOCAL, STATE AND FEDERAL CODES.
9. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL TRANSPORTATION CODE (ITC) AND ALL APPLICABLE LOCAL, STATE AND FEDERAL CODES.
10. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL COMMUNITY DEVELOPMENT CODE (ICDC) AND ALL APPLICABLE LOCAL, STATE AND FEDERAL CODES.

**FLOOR PLAN NOTES**

1. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL BUILDING CODE (IBC) AND ALL APPLICABLE LOCAL, STATE AND FEDERAL CODES.
2. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL MECHANICAL AND ELECTRICAL CODE (IMC) AND ALL APPLICABLE LOCAL, STATE AND FEDERAL CODES.
3. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL PLUMBING AND MECHANICAL CODE (IPMC) AND ALL APPLICABLE LOCAL, STATE AND FEDERAL CODES.
4. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL FIRE AND SAFETY CODE (IFSC) AND ALL APPLICABLE LOCAL, STATE AND FEDERAL CODES.
5. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL ENERGY CONSERVATION CODE (IECC) AND ALL APPLICABLE LOCAL, STATE AND FEDERAL CODES.
6. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL SMOKE CONTROL CODE (ISCC) AND ALL APPLICABLE LOCAL, STATE AND FEDERAL CODES.
7. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL SAFETY CODE (ISC) AND ALL APPLICABLE LOCAL, STATE AND FEDERAL CODES.
8. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL TRANSPORTATION CODE (ITC) AND ALL APPLICABLE LOCAL, STATE AND FEDERAL CODES.
9. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL COMMUNITY DEVELOPMENT CODE (ICDC) AND ALL APPLICABLE LOCAL, STATE AND FEDERAL CODES.
10. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL BUILDING CODE (IBC) AND ALL APPLICABLE LOCAL, STATE AND FEDERAL CODES.



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# EXHIBIT C-5

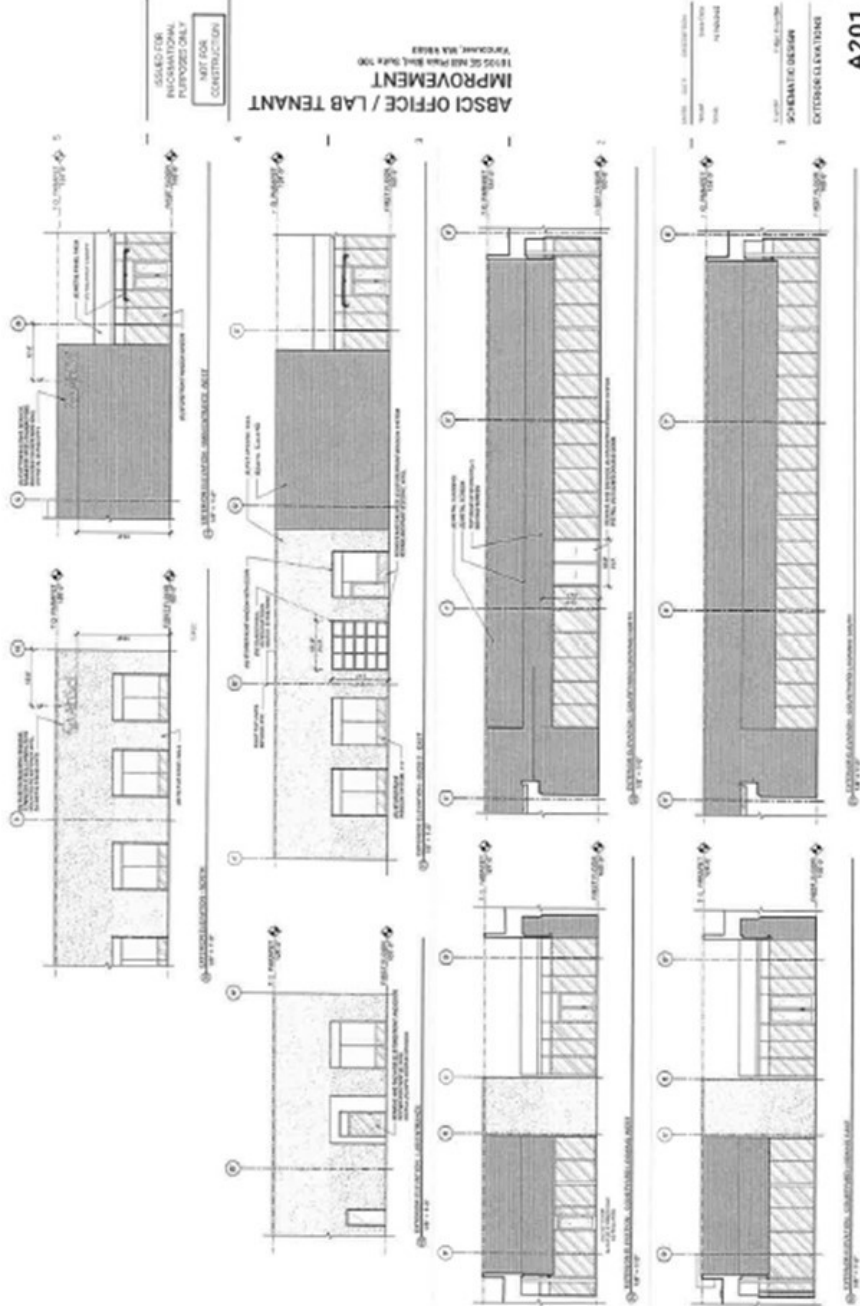
## ABSCI, LLC, A DELAWARE LIMITED LIABILITY COMPANY

### ELEVATION / SECTION NOTES

1. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL BUILDING CODE (IBC) AND THE INTERNATIONAL RESIDENTIAL CODE (IRC).  
2. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL MECHANICAL, ELECTRICAL AND PLUMBING CODE (IMC), THE INTERNATIONAL ELECTRICAL CODE (IEC) AND THE INTERNATIONAL PLUMBING AND MECHANICAL CODE (IPMC).  
3. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL FIRE AND SAFETY CODE (IFSC) AND THE INTERNATIONAL FIRE AND SAFETY CODE (IFSC).

**BORA**

1000 W. MARKET ST., SUITE 200  
PHILADELPHIA, PA 19102  
TEL: 215-592-1234  
WWW.BORA.COM



## EXHIBIT D

### BUILDING 685, COLUMBIA TECH CENTER Standard Specifications for Tenant Spaces

AbSci Corp.

September 9, 2020

#### GENERAL -

The Tenant Improvement Standards included in this Exhibit "D" are intended to describe the type and quality of building components incorporated into the work. Items described as "excluded" or non-standard in this exhibit may be incorporated into the work by mutual agreement between Landlord and Tenant.

#### EXTERIOR AND BUILDING ENVELOPE –

**EXTERIOR SURFACES:** Match existing materials and finishes.

**ROOF STRUCTURE:** Modifications designed by registered engineer.

**ROOFING:** Roof penetrations sealed by roofing contractor selected or approved by Landlord.

**STOREFRONT DOORS AND EXTERIOR WINDOWS:** Per Landlord's building shell documents. Storefront door nominal 3' x 9', medium stile, painted aluminum finish, clear insulated glass. Hardware finish as selected by Landlord. Exterior windows US Aluminum, Kawneer or Arcadia, 2"x4<sup>1/2</sup>" system, painted aluminum finish, clear, insulated glass with low-e coating, or as otherwise approved by Landlord. Landlord acknowledges and agrees that (subject to Landlord's approval of specific product used) Tenant may install sliding or folding glass panels or roll-up doors for access to the interior courtyard from the Premises.

**UTILITIES:** Utility company metering for electrical and gas utilities. Tenant responsible for installing a water submeter to track water usage. A remote reader for the water submeter will be installed in the building's main electrical room by Tenant. Tenant responsible for phone, data, and/or cable TV utilities. Tenant subpanels and transformers located within the Premises.

#### IMPROVED OFFICE AREAS –

**DEMISING WALLS:** Demising walls from floor to the underside of roof structure, constructed using metal studs, 5/8 gypsum board each side full height, and full height fiberglass batt insulation shall be installed as part of the Building Shell.

**EXTERIOR WALLS:** 5/8 smooth finished gypsum board on exterior wall framing or on furred concrete or masonry, installed to finished ceiling height or to 13 feet above floor in office areas open to structure. Insulation installed with "stick-pin" application above finished gypsum board. Such work is part of the Building Shell.

**INTERIOR PARTITIONS:** Per Tenant's Final Plans.

**INTERIOR DOORS:** Building Shell includes interior doors in the common areas meeting the following specifications: nominal 3'x8' solid core with stained walnut finish on African mahogany hardwood veneer, Alpha or Western Integrated Materials brand knock-down aluminum door frames, clear anodized aluminum finish. Door hardware includes 2 pair butt hinges, Schlage "AL" series Saturn lever latch, and wall stop for each door. Hardware finish brushed chrome. Suite entry and interior doors and hardware installed in the Premises may deviate from such specifications at Tenant's discretion provided they are of similar or better quality to the common area interior doors.

**RELITES.** 1/4 tempered glass in frame to match door frame. Relites are non-standard items but may be installed by Tenant as part of the Tenant Improvements at Tenant's discretion.

**CABINETS AND MILLWORK:** Building Shell includes: Plastic laminate covered countertops on plywood for counter-mounted plumbing fixtures; cabinetry to A.W.L standards with plastic laminate covered tops, fronts, and sides; cabinet interiors constructed of melamine or standard low-pressure laminate on particleboard substrate; cabinet hardware concealed hinges, heavy-duty drawer guides, 4" wire pulls; hardware



finish brushed chrome. Cabinetry and millwork installed in the Premises may deviate from such specifications provided they are of similar or better quality to those specified above.

**CEILINGS:** Per Tenant's Final Plans.

**FLOOR COVERING:** If broadloom carpet, Mohawk Bigelow Cross Knit or equivalent or better; if carpet tile, Mohawk Bigelow Headstrong or equivalent or better. Sheet vinyl if used is Armstrong Medintech with welded seams, or equivalent or better. Rubber base Flexco or equivalent or better at least 4" continuous flat at carpet; Flexco or equivalent or better at least 4" continuous coved at resilient flooring and at sealed concrete floors. Floors may be left as sealed polished concrete; no carpet, sheet vinyl, or other covering is required. Standard floor finishes exclude quarry or ceramic tiles, wood flooring, raised computer floors, anti-static flooring, and other special floor finishes.

**PAINTING AND WALL COVERING:** Tenant shall have the right to paint the walls in the Premises with colors of Tenant's choosing and to finish the walls in the Premises with non-paint finishes of Tenant's choosing, subject to approval as part of the Tenant Improvements.

**WINDOW COVERINGS:** Tenant shall have the right to install window coverings on exterior windows, doors and interior glass systems as selected by Tenant, provided that the coverings on exterior windows shall be equivalent or better to Mariak Contract manually operated roller-shades and shall have an appearance from the exterior of the Premises that is uniform and otherwise acceptable to Landlord.

**APPLIANCES:** Appliances such as refrigerators, garbage disposers, ranges, range hoods, coffee and espresso machines, ice machines, vending machines, and microwave ovens if required, shall be provided and installed by Tenant.

**FURNITURE AND ACCESSORIES:** Surface mounted toilet accessories include one toilet paper holder and one seat cover dispenser for each water closet, one paper towel dispenser for each toilet room, and grab bars where required by code, all of which shall be provided as part of the Building Shell. One counter mounted soap dispenser included for each toilet room lavatory and shall be provided as part of the Building Shell. Surface mounted fire extinguishers where required by code shall be provided as part of the Building Shell. Furniture, coat hooks, desk partitions, tack boards, white boards, projection screens, lockers, and other miscellaneous accessories may be installed in the Premises by Tenant at Tenant's discretion without further review or approval by Landlord, provided that the same can be removed without material and lasting damage to the Premises.

**PLUMBING:** Plumbing included to serve toilet facilities and any drinking fountains required by code in the Common Areas shall be installed as part of the Building Shell. The Tenant Improvements shall include one or more (as determined by Tenant) lunchroom sinks, sinks in the Lab Area, and any drinking fountains required by code in the Premises. Standard plumbing items exclude showers, vending machine, appliance, and equipment connections, and gas, vacuum and air piping, but Tenant may include such items as part of the Tenant Improvements.

**FIRE PROTECTION:** To be modified as required for tenant improvement layout, which Landlord acknowledges includes laboratory use which may require different fire protection infrastructure than required for office use. Sprinkler heads in ceilings are chrome, semi-recessed type, installed in center of tile locations. Intergen and pre-action fire protection systems are non-standard.

**HEATING VENTILATION AND AIR CONDITIONING ("HVAC"):** Packaged rooftop gas/electric HVAC units. Cooling approximately 400 square feet per ton. Maximum rooftop unit size 7.5 ton. Rooftop units minimum 25 feet from perimeter of building. Ducted supply and return air distribution for office areas with ceilings. Spiral duct supply with central return in office areas open to structure. Each zone thermostatically controlled. Rooftop units in open-to-structure areas to be installed on spring-isolation curbs. Toilet room exhaust installed per code, ceiling or rooftop mounted at Landlord's option. Standard HVAC work excludes special production, lab or clean room HVAC, humidity control, and special computer room mechanical work. *Any deviation from these standards to meet tenant's specific needs will be reviewed pursuant to paragraph 2.3 of the lease as part of the review of "Tenant's Preliminary Plans."*

**ELECTRICAL:** Office lighting 2'x2', LED Lithonia BLT lay-in type or similar or better for office areas with ceilings. For office areas open to structure, pendant mounted linear lighting Finelite series HP-2 or similar or better. Lighting systems and controls installed as required by local energy code. Interior lighting level in office areas shall average at least 35 foot-candles measured 30" above floor. Lighting level in hallways and circulation shall average at least 10 foot-candles measured 30" above floor. Tenant shall have discretion to install desired lighting systems as part of the Tenant Improvements, including, if desired, special architectural lighting such as track lighting, spot lighting, down lights, wall sconces, accent lighting, etc.

Tenant shall have discretion to distribute electrical power throughout the Premises as necessary to accommodate Tenant's activities in the Premises, consistent with the Tenant's Final Plans,

Applicable Laws, and the Permitted Use, Such distribution shall be completed as part of the Tenant Improvements.

Electrical equipment and wiring to meet local code requirements. Generators, UPS systems, and power distribution and connections to Tenant's equipment if required, shall be provided and installed by Tenant.

**FIRE ALARM:** Installed as part of Building Shell only as required by local code.

**SECURITY, TELEPHONE AND COMPUTER SYSTEMS:** Tenant shall provide and install security, telephone, data, and computer system equipment and wiring. Tenant's equipment to be located within the demised space.

**COMPLIANCE WITH LAWS:** As of the Commencement Date, the Premises shall comply with all Applicable Laws applicable to vacant space and the Common Areas shall comply with all Applicable Laws applicable to such areas.

EXHIBIT E  
Hazardous Substances

<b>Chemical</b>	<b>Quantity</b>	<b>Units</b>
isopropanol	6	gal
ethanol	8	gal
acetonitrile	30	gal
ammonium hydroxide	12	gal
sodium hydroxide 50% w/w solution	6	gal
CIP100	4	gal
propionic acid	1	gal
phosphoric acid	4	gal
acetic acid	1	gal
hydrochloric acid	2	gal
sulfuric acid	0,5	gal
oxygen cylinders, 250cf	4	each
nitrogen cylinders, 250cf	2	each

Additional chemicals:

~180 chemicals in small quantities 1-1000 grams

**EXHIBIT F**

TENANT'S EXTERIOR SIGNAGE

INTENTIONALLY DELETED

# EXHIBIT G

## ABSCI, LLC,

### A DELAWARE LIMITED LIABILITY COMPANY

<b>PROJECT NO.</b>		<b>DATE</b>		<b>SCALE</b>	
<b>PROJECT NAME</b>	<b>CLIENT</b>	<b>DATE</b>	<b>SCALE</b>	<b>PROJECT NO.</b>	<b>CLIENT</b>
<b>PROJECT NO.</b>	<b>CLIENT</b>	<b>DATE</b>	<b>SCALE</b>	<b>PROJECT NO.</b>	<b>CLIENT</b>

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 CLIENT \_\_\_\_\_  
 DATE \_\_\_\_\_  
 SCALE \_\_\_\_\_  
 PROJECT NO. \_\_\_\_\_  
 CLIENT \_\_\_\_\_  
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## TENANT IMPROVEMENT for Pactrust

### CTC BLDG. 685 - NORTH COMMON AREA

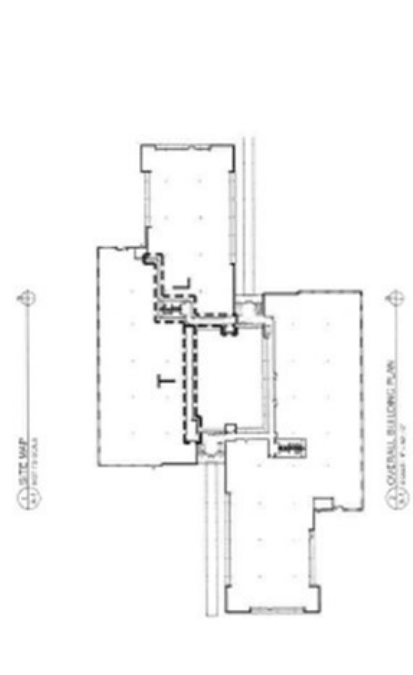
**PROJECT NARRATIVE**  
 PROJECT CONSISTS OF BUILDING OUT 2,264 SF OF COMMON AREA CORRIDORS, STAIRWELL WALLS AND OTHER HALF OF REST ROOMS FORWARD TOWER BY OFFICE BUILDING. WORK SHALL INCLUDE BUT NOT BE LIMITED TO ENVIRONMENTAL STUDY, DOOR/FRAMING AND PAINTING. ALL WORK TO MEET PCA REQUIREMENTS.

**WORK INCLUDED UNDER THIS PERMIT:**  
 RESTROOMS, STAIRWELL WALLS, CORRIDOR WALLS, CORRIDOR FLOORING, CORRIDOR LIGHTING AND ELECTRICAL WORK SHALL BE DONE SEPARATELY.  
**WORK INCLUDED BUT PERFORMED UNDER SEP. PERMIT:**  
 FIRE PROTECTION IMPROVEMENTS  
 PLUMBING WORK  
 MECHANICAL, VENTILATION AND AIR CONDITIONING WORK

**BUILDING INFORMATION**  
 OWNER: PACIFIC REALTY ASSOCIATES, L.P.  
 5530 SW BOJALONE WAY, SUITE 300  
 PORTLAND, OR 97204  
 BLDG #1: CTC BLDG. 685 (PHASE 1) (4,400 SF)  
 2015 IBC  
 APPROXIMATE SYSTEM: YES  
 ENERGY CODE COMPLIANCE: YES  
 THIS BUILDING WILL HOUSE MULTIPLE TENANTS INCLUDING THIS TENANT. THE EXISTING BUILDING IS A SINGLE STORY WALKUP OF TOWER AND IS FULLY APPROVED. THIS IS FRONTAGE ON ALL FOUR SIDES OF AT LEAST 14 FEET.  
 ACTUAL BUILDING AREA TOTALS:  
 TOTAL: 4,400 SF  
 MARKED OCCUPANCY - NON-RESIDENTIAL USES: 960 SQ. FT.

**TENANT INFORMATION**  
 TENANT: OFFICE USE  
 OCCUPANCY AREAS ALLOWED:  
 1. TOWER 1F  
 2. TOWER 2F  
 3. TOWER 3F  
 4. TOWER 4F

**GOVERNING CODES**  
 ALL CONSTRUCTION WORK SHALL BE DONE IN COMPLIANCE WITH STATE AND LOCAL CODE REQUIREMENTS THAT APPLY, INCLUDING BUT NOT LIMITED TO:  
 • 2015 INTERNATIONAL MECHANICAL CODE - IMC 51-03  
 • 2015 INTERNATIONAL FIRE AND SAFETY CODE - IFSC 1108  
 • 2015 INTERNATIONAL ELECTRICAL CODE - IEC 1108  
 • 2015 INTERNATIONAL FIRE CODE - IFC 51-04  
 • ASCE 7-10  
 • 2015 INTERNATIONAL ENERGY CODE - IBC 51-11  
 • VARIOUS MECHANICAL CODES



L = LANDLORD COMMON AREA WORK  
 T = TENANT COMMON AREA RESTORATION WORK (FUTURE)

### DRAWING INDEX

- A.1 COVER SHEET - CODE REQUIREMENTS
- A.2 GENERAL NOTES / SPECIFICATIONS
- A.3 FLOOR PLAN
- A.4 RESTRICTED COMMON AREA
- A.5 RESTROOMS AND STAIRS
- A.6 RESTROOMS AND STAIRS
- A.7 DETAILS

### REST ROOM INFORMATION

FLOOR AREA: 11,204 SQUARE FEET (SFT)  
 PLUMBING / FIRE / OCCUPANCY LOADS - RESTROOMS FOR THE OCCUPANTS  
 7M OCCUPANTS / 7 - 2M OCCUPANTS EACH SEX  
 TABLE 209 OCCUPANCY -

WATER CLOSETS	
MALE	FEMALE
1 FOR THE FIRST 10 AND 1 FOR EVERY 15 THEREAFTER (REQUIRED BY)	

LAVS	
MALE	FEMALE
1 FOR 45 FOR THE FIRST 10 AND 1 FOR EVERY 15 THEREAFTER (REQUIRED BY)	

SHOWERS	
REQUIRE	PLANNED
6 LAVS REQUIRED	6 LAVS PLANNED
6 LAVS REQUIRED	6 LAVS PLANNED

A-1











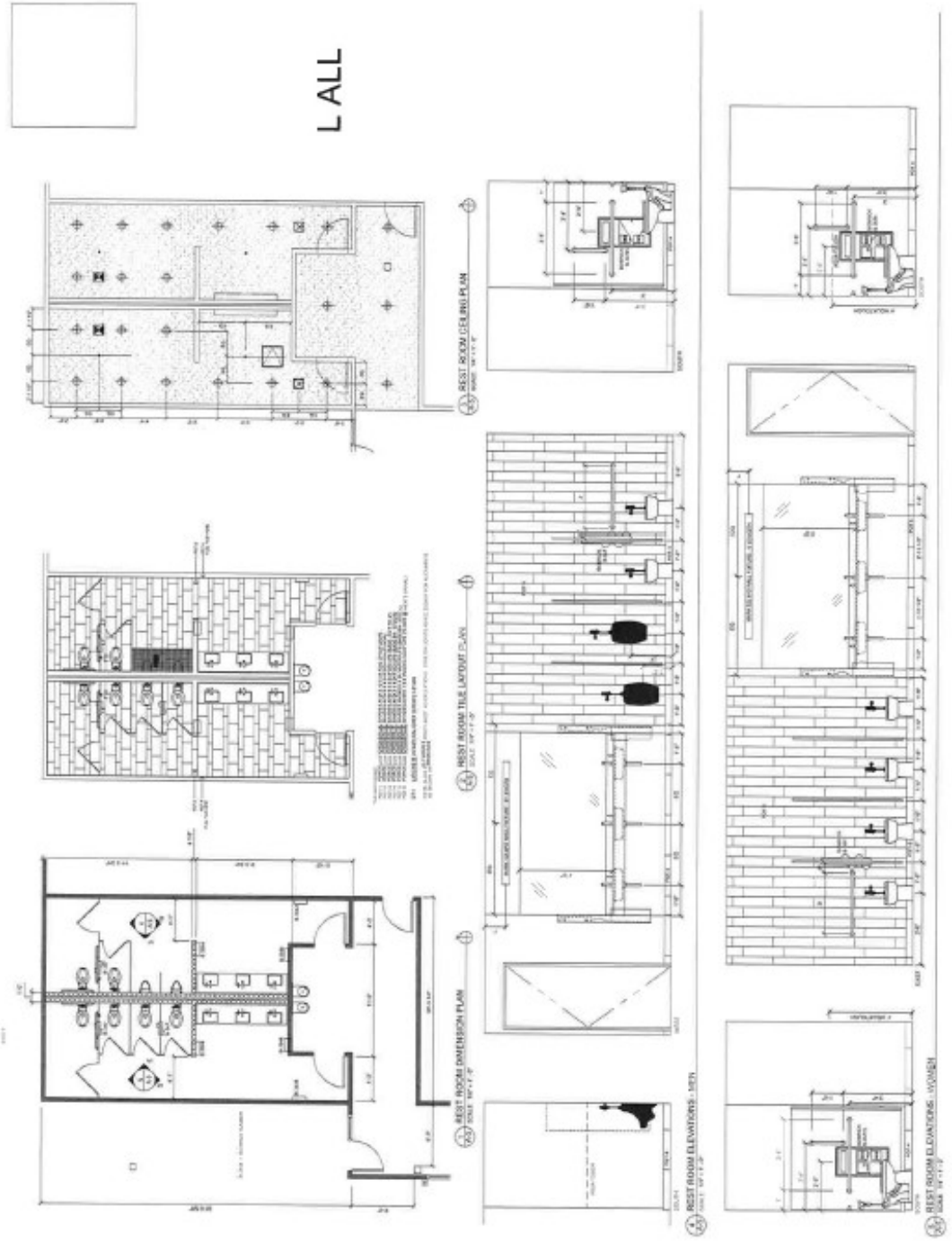
# EXHIBIT G

## ABSCI, LLC,

### A DELAWARE LIMITED LIABILITY COMPANY

<b>Pactrust</b> 1500 W. WALTON BLVD. SUITE 200 COLUMBIA, MD 21046 TEL: 410.326.1000 FAX: 410.326.1001 WWW.PACTRUST.COM	<b>PROJECT NAME:</b> REST ROOMS - MEN
	<b>DATE:</b> 10/20/2011

A-5



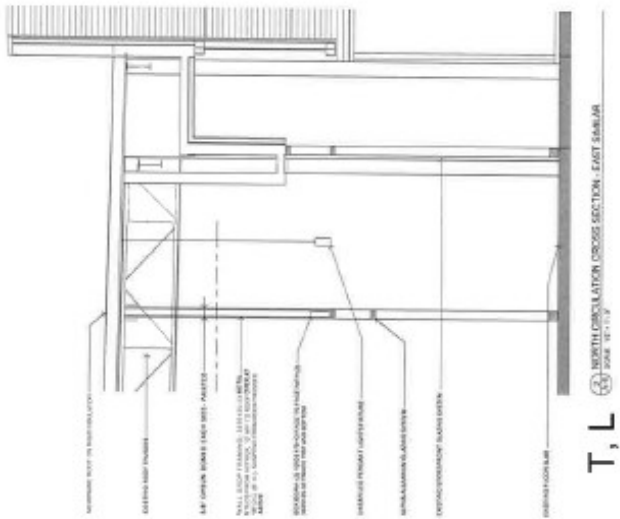
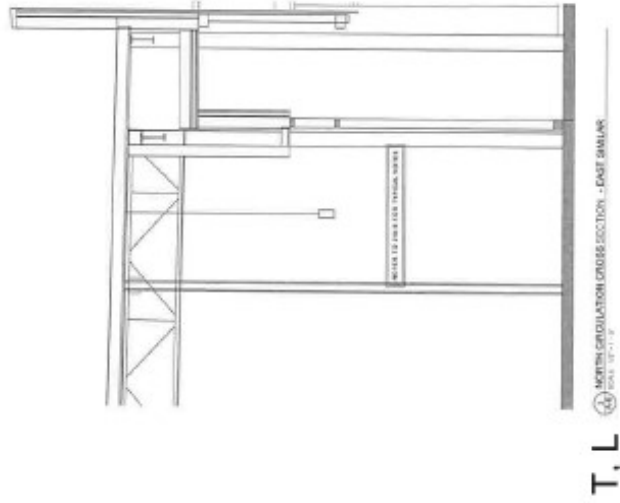
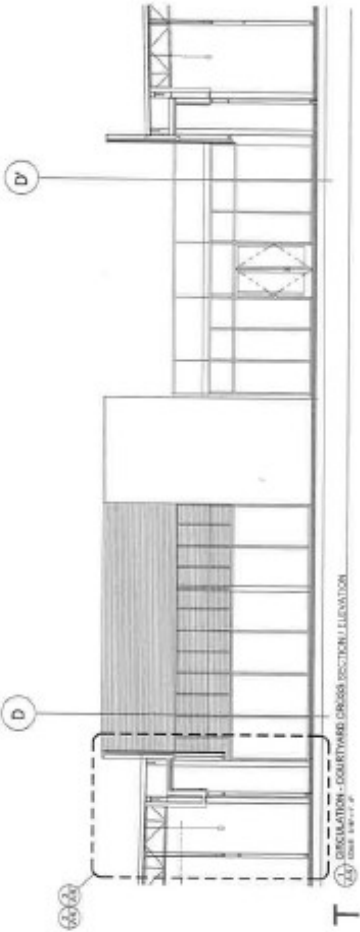
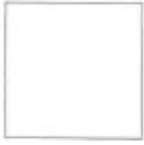
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# EXHIBIT G

## ABSCI, LLC,

### A DELAWARE LIMITED LIABILITY COMPANY

<b>Pactrust</b> PROJECT # 1801 1505 5th Street, Suite 200 Wilmington, DE 19802 Tel: 302.426.1000 Fax: 302.426.1001 www.pactrust.com	DATE: 08/14/18 DRAWN BY: J.S.L. CHECKED BY: J.S.L. PROJECT: CTC 885 COMMON AREA BUILD-OUT - NORTH	<b>A-6</b>
	PROJECT # 1801	

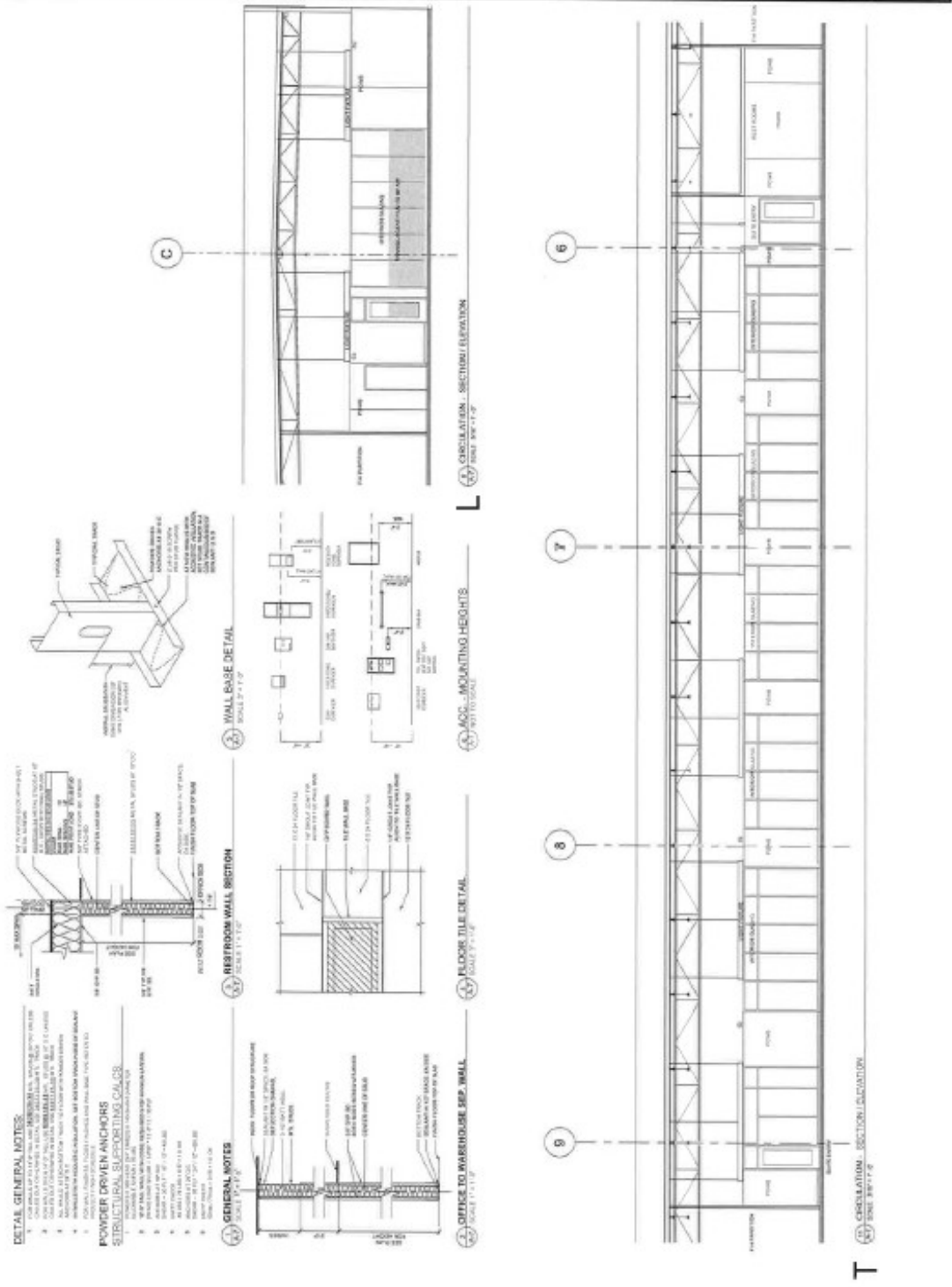


# EXHIBIT G

ABSCI, LLC,  
A DELAWARE LIMITED LIABILITY COMPANY

<b>PROJECT SYSTEM</b> PROJECT NO. 2023-001 DATE: 08/15/23 DRAWING NO. 020	<b>CLIENT</b> ABSCI, LLC 1000 MARKET STREET, SUITE 200 WILMINGTON, DE 19801	<b>DESIGNER</b> Martin W. Hanson, Architect 1000 MARKET STREET, SUITE 200 WILMINGTON, DE 19801 PHONE: 302.441.1111 FAX: 302.441.1112 WWW.MWHANON.COM	<b>REVISION</b> 1. 08/15/23: INITIAL DESIGN 2. 08/22/23: REVISED DESIGN 3. 09/05/23: REVISED DESIGN
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**A-7**





# EXHIBIT G

## ABSCI, LLC,

### A DELAWARE LIMITED LIABILITY COMPANY

<p><b>PACTRUST</b>          1000 MARKET STREET, SUITE 1000          PHILADELPHIA, PA 19107          TEL: 215.562.1000          FAX: 215.562.1001          WWW.PACTRUST.COM</p>	<p><b>PROJECT TITLE:</b>          CTC 685 COMMON AREA BUILD-OUT - SOUTH</p> <p><b>CLIENT:</b>          ABSCI, LLC</p> <p><b>ARCHITECT:</b>          Martin W. Hanson, Architect          1000 MARKET STREET, SUITE 1000          PHILADELPHIA, PA 19107          TEL: 215.562.1000          FAX: 215.562.1001          WWW.PACTRUST.COM</p>
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**CONSTRUCTION LEGEND**

1	EXISTING CONCRETE
2	NEW CONCRETE
3	EXISTING MASONRY
4	NEW MASONRY
5	EXISTING METAL DECKING
6	NEW METAL DECKING
7	EXISTING Gypsum BOARD
8	NEW Gypsum BOARD
9	EXISTING PAINT
10	NEW PAINT
11	EXISTING GLASS
12	NEW GLASS
13	EXISTING WOOD
14	NEW WOOD
15	EXISTING MECHANICAL/ELECTRICAL
16	NEW MECHANICAL/ELECTRICAL
17	EXISTING ROOFING
18	NEW ROOFING
19	EXISTING FLOORING
20	NEW FLOORING
21	EXISTING PARTITION WALLS
22	NEW PARTITION WALLS
23	EXISTING CEILING
24	NEW CEILING
25	EXISTING MECHANICAL/ELECTRICAL/PLUMBING
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97	EXISTING MECHANICAL/ELECTRICAL/PLUMBING
98	NEW MECHANICAL/ELECTRICAL/PLUMBING
99	EXISTING MECHANICAL/ELECTRICAL/PLUMBING
100	NEW MECHANICAL/ELECTRICAL/PLUMBING

**NOTES:**

1. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND REGULATIONS APPLICABLE TO THIS PROJECT.
2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES.
3. ALL MATERIALS AND WORKMANSHIP SHALL BE SUBJECT TO INSPECTION AND APPROVAL BY THE ARCHITECT AND/OR ENGINEER.
4. THE CONTRACTOR SHALL MAINTAIN ACCESS TO ALL ADJACENT PROPERTIES AND UTILITIES AT ALL TIMES.
5. ALL DEMOLITION WORK SHALL BE DONE IN ACCORDANCE WITH ALL APPLICABLE REGULATIONS AND ORDINANCES.
6. THE CONTRACTOR SHALL BE RESPONSIBLE FOR PROTECTING ALL EXISTING UTILITIES AND STRUCTURES TO REMAIN.
7. ALL NEW CONSTRUCTION SHALL BE DONE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND REGULATIONS APPLICABLE TO THIS PROJECT.
8. THE CONTRACTOR SHALL MAINTAIN A NEAT AND ORDERLY WORK SITE AT ALL TIMES.
9. ALL MATERIALS AND WORKMANSHIP SHALL BE SUBJECT TO INSPECTION AND APPROVAL BY THE ARCHITECT AND/OR ENGINEER.
10. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES.

**GENERAL NOTES:**

1. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND REGULATIONS APPLICABLE TO THIS PROJECT.
2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES.
3. ALL MATERIALS AND WORKMANSHIP SHALL BE SUBJECT TO INSPECTION AND APPROVAL BY THE ARCHITECT AND/OR ENGINEER.
4. THE CONTRACTOR SHALL MAINTAIN ACCESS TO ALL ADJACENT PROPERTIES AND UTILITIES AT ALL TIMES.
5. ALL DEMOLITION WORK SHALL BE DONE IN ACCORDANCE WITH ALL APPLICABLE REGULATIONS AND ORDINANCES.
6. THE CONTRACTOR SHALL BE RESPONSIBLE FOR PROTECTING ALL EXISTING UTILITIES AND STRUCTURES TO REMAIN.
7. ALL NEW CONSTRUCTION SHALL BE DONE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND REGULATIONS APPLICABLE TO THIS PROJECT.
8. THE CONTRACTOR SHALL MAINTAIN A NEAT AND ORDERLY WORK SITE AT ALL TIMES.
9. ALL MATERIALS AND WORKMANSHIP SHALL BE SUBJECT TO INSPECTION AND APPROVAL BY THE ARCHITECT AND/OR ENGINEER.
10. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES.

**MECHANICAL/ELECTRICAL/PLUMBING NOTES:**

1. ALL MECHANICAL/ELECTRICAL/PLUMBING WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE NATIONAL MECHANICAL/ELECTRICAL/PLUMBING CODES AND REGULATIONS APPLICABLE TO THIS PROJECT.
2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES.
3. ALL MATERIALS AND WORKMANSHIP SHALL BE SUBJECT TO INSPECTION AND APPROVAL BY THE ARCHITECT AND/OR ENGINEER.
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10. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES.

**FINISHES AND MATERIALS NOTES:**

1. ALL FINISHES AND MATERIALS SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND REGULATIONS APPLICABLE TO THIS PROJECT.
2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES.
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10. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES.

**CONSTRUCTION SCHEDULE NOTES:**

1. ALL CONSTRUCTION WORK SHALL BE COMPLETED BY THE DATE SPECIFIED IN THE SCHEDULE.
2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES.
3. ALL MATERIALS AND WORKMANSHIP SHALL BE SUBJECT TO INSPECTION AND APPROVAL BY THE ARCHITECT AND/OR ENGINEER.
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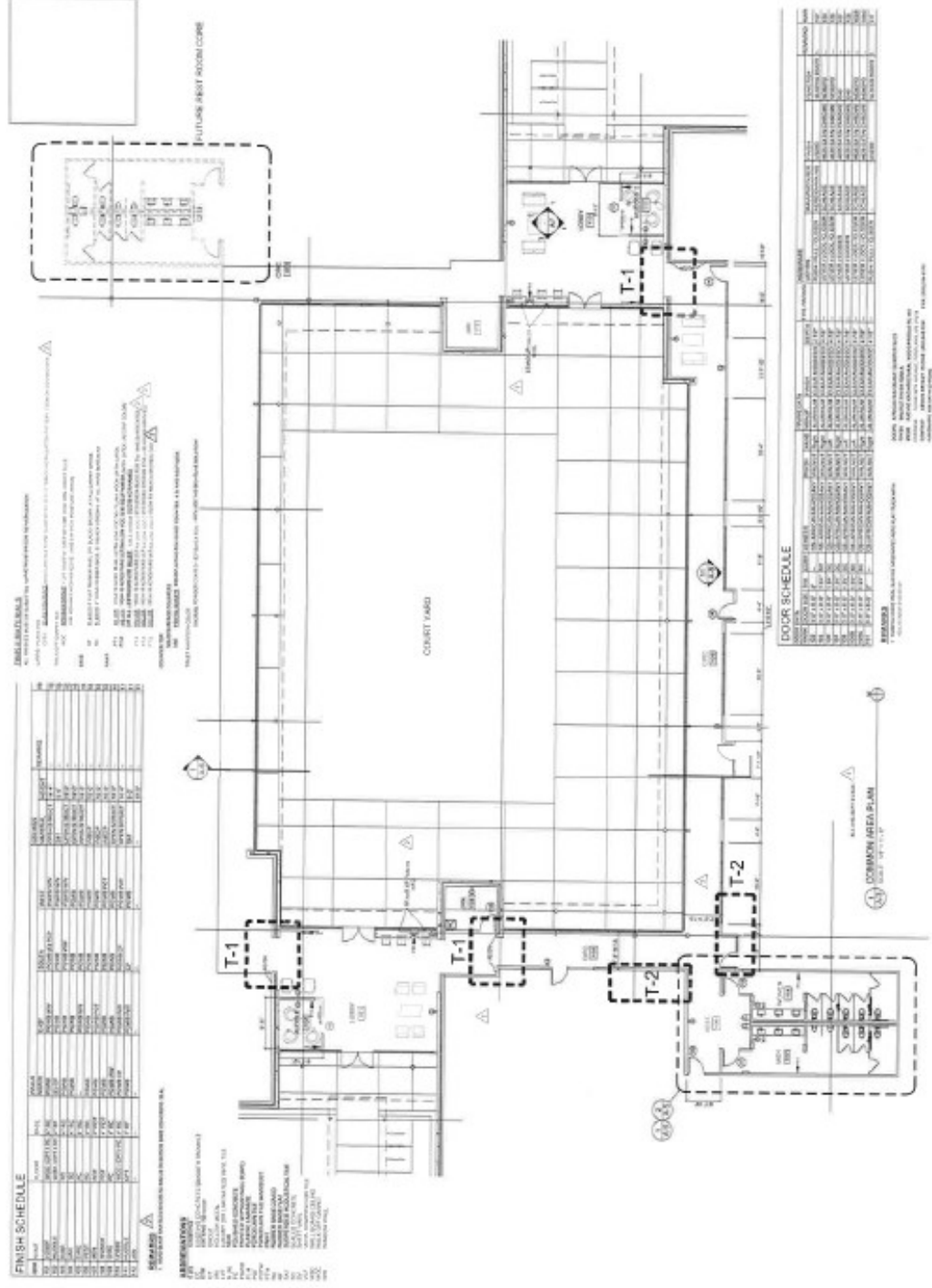
# EXHIBIT G

## ABSCI, LLC,

### A DELAWARE LIMITED LIABILITY COMPANY

<b>Architect</b> <b>Martin W. Hanson, Architect</b> 11050 SW SLOLICKA HWY #200 PORTLAND, OR 97204 (503) 424-4202 (503) 424-1158 514/242-8888 (777-4444)	<b>Contractor</b> <b>Pactrust</b> 1700 NE PACIFIC ST PORTLAND, OR 97232 (503) 253-8888 514/242-8888
	<b>Project Name</b> <b>CTC 885 COMMON AREA BUILD-OUT - SOUTH</b>

A-3



**FINISH SCHEDULE**

NO.	DESCRIPTION	FINISH
1	CEILING	AC
2	FLOOR	1
3	WALL	1
4	DOOR	1
5	WINDOW	1
6	GLASS	1
7	STAIR	1
8	ELEVATOR	1
9	MECHANICAL	1
10	ELECTRICAL	1
11	TELEPHONE	1
12	PLUMBING	1
13	PAINT	1
14	GLASS	1
15	WOOD	1
16	STONE	1
17	METAL	1
18	TEXTILE	1
19	LEATHER	1
20	PAPER	1
21	PLASTER	1
22	CONCRETE	1
23	BRICK	1
24	TILE	1
25	GLASS	1
26	WOOD	1
27	STONE	1
28	METAL	1
29	TEXTILE	1
30	LEATHER	1
31	PAPER	1
32	PLASTER	1
33	CONCRETE	1
34	BRICK	1
35	TILE	1
36	GLASS	1
37	WOOD	1
38	STONE	1
39	METAL	1
40	TEXTILE	1
41	LEATHER	1
42	PAPER	1
43	PLASTER	1
44	CONCRETE	1
45	BRICK	1
46	TILE	1
47	GLASS	1
48	WOOD	1
49	STONE	1
50	METAL	1
51	TEXTILE	1
52	LEATHER	1
53	PAPER	1
54	PLASTER	1
55	CONCRETE	1
56	BRICK	1
57	TILE	1
58	GLASS	1
59	WOOD	1
60	STONE	1
61	METAL	1
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64	PAPER	1
65	PLASTER	1
66	CONCRETE	1
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68	TILE	1
69	GLASS	1
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88	CONCRETE	1
89	BRICK	1
90	TILE	1
91	GLASS	1
92	WOOD	1
93	STONE	1
94	METAL	1
95	TEXTILE	1
96	LEATHER	1
97	PAPER	1
98	PLASTER	1
99	CONCRETE	1
100	BRICK	1

**DOOR SCHEDULE**

NO.	DESCRIPTION	FINISH
1	STANDARD	1
2	GLASS	1
3	WOOD	1
4	METAL	1
5	TEXTILE	1
6	LEATHER	1
7	PAPER	1
8	PLASTER	1
9	CONCRETE	1
10	BRICK	1
11	TILE	1
12	GLASS	1
13	WOOD	1
14	STONE	1
15	METAL	1
16	TEXTILE	1
17	LEATHER	1
18	PAPER	1
19	PLASTER	1
20	CONCRETE	1
21	BRICK	1
22	TILE	1
23	GLASS	1
24	WOOD	1
25	STONE	1
26	METAL	1
27	TEXTILE	1
28	LEATHER	1
29	PAPER	1
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37	METAL	1
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45	GLASS	1
46	WOOD	1
47	STONE	1
48	METAL	1
49	TEXTILE	1
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53	CONCRETE	1
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91	STONE	1
92	METAL	1
93	TEXTILE	1
94	LEATHER	1
95	PAPER	1
96	PLASTER	1
97	CONCRETE	1
98	BRICK	1
99	TILE	1
100	GLASS	1

**REVISIONS**

NO.	DATE	DESCRIPTION
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**COMMON AREA PLAN**

SCALE: 1/4" = 1'-0"

**NOTES**

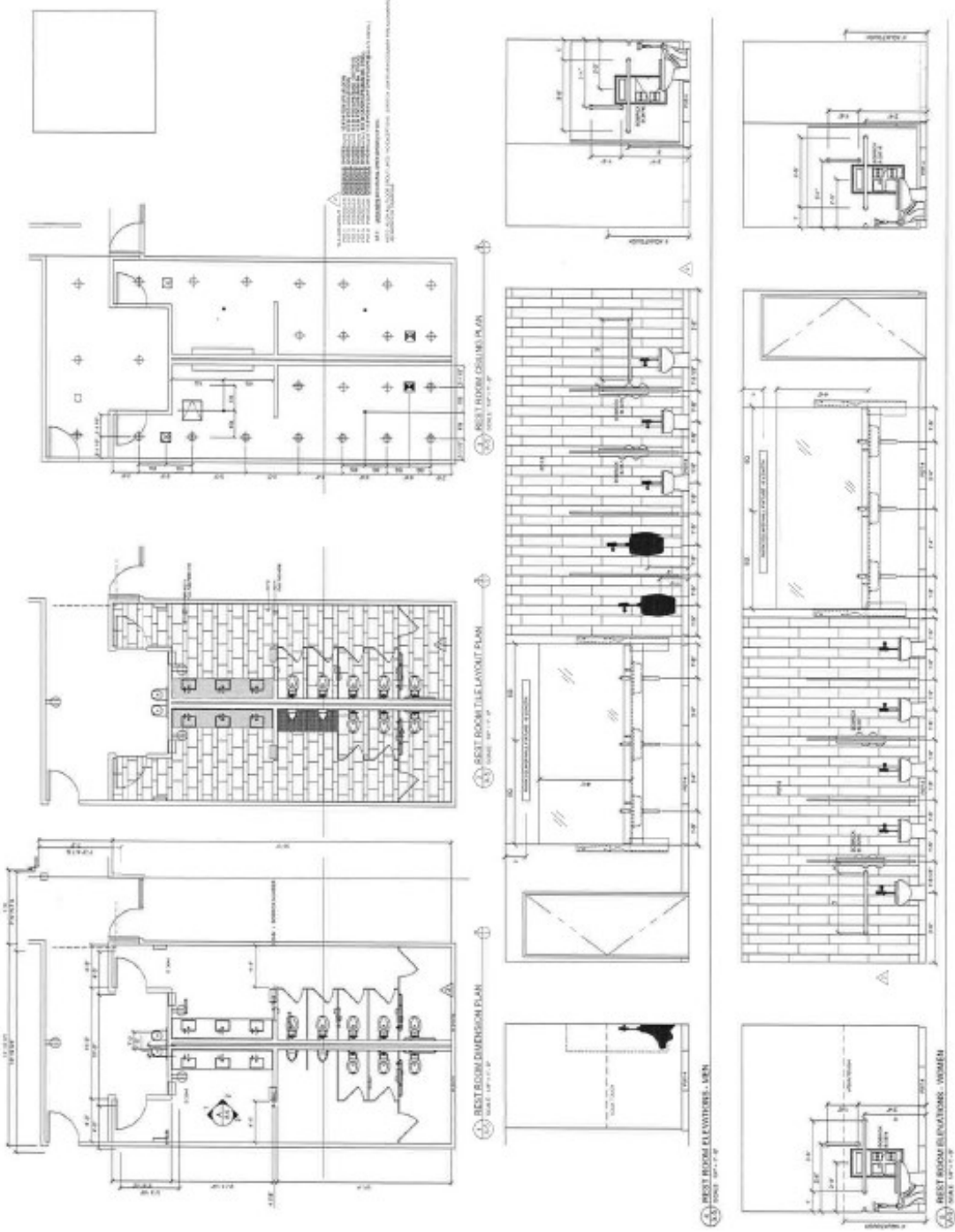
1. REFER TO ALL RELATED DRAWINGS FOR DETAILS.
2. FINISHES TO BE IDENTIFIED BY TRADE.
3. SEE FINISH SCHEDULE FOR FINISH IDENTIFICATION.
4. SEE DOOR SCHEDULE FOR DOOR IDENTIFICATION.
5. SEE ELEVATION SCHEDULE FOR ELEVATION IDENTIFICATION.
6. SEE FLOOR PLAN FOR FLOOR IDENTIFICATION.
7. SEE WALL PLAN FOR WALL IDENTIFICATION.
8. SEE CEILING PLAN FOR CEILING IDENTIFICATION.
9. SEE MECHANICAL PLAN FOR MECHANICAL IDENTIFICATION.
10. SEE ELECTRICAL PLAN FOR ELECTRICAL IDENTIFICATION.
11. SEE TELEPHONE PLAN FOR TELEPHONE IDENTIFICATION.
12. SEE PLUMBING PLAN FOR PLUMBING IDENTIFICATION.
13. SEE PAINT PLAN FOR PAINT IDENTIFICATION.
14. SEE GLASS PLAN FOR GLASS IDENTIFICATION.
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98. SEE PLASTER PLAN FOR PLASTER IDENTIFICATION.
99. SEE CONCRETE PLAN FOR CONCRETE IDENTIFICATION.
100. SEE BRICK PLAN FOR BRICK IDENTIFICATION.





**EXHIBIT G**  
**ABSCI, LLC,**  
**A DELAWARE LIMITED LIABILITY COMPANY**

<b>PROJECT #131215</b> 1300 W. 200th Street, Suite 400 Kent, WA 98043 (206) 835-9779 www.mwhanson.com <b>Martin W. Hanson, Architect</b>	<b>DATE:</b> 10/11/2016 <b>BY:</b> JWH <b>CHECKED:</b> JWH <b>SCALE:</b> AS SHOWN	<b>REVISION</b> 1. 10/11/2016 2. 10/11/2016 3. 10/11/2016	<b>CLIENT:</b> CTRUST 1300 W. 200th Street, Suite 400 Kent, WA 98043 (206) 835-9779	<b>PROJECT:</b> CTG 685 COMMON AREA BUILD-OUT - SOUTH	<b>NO.:</b> A-5

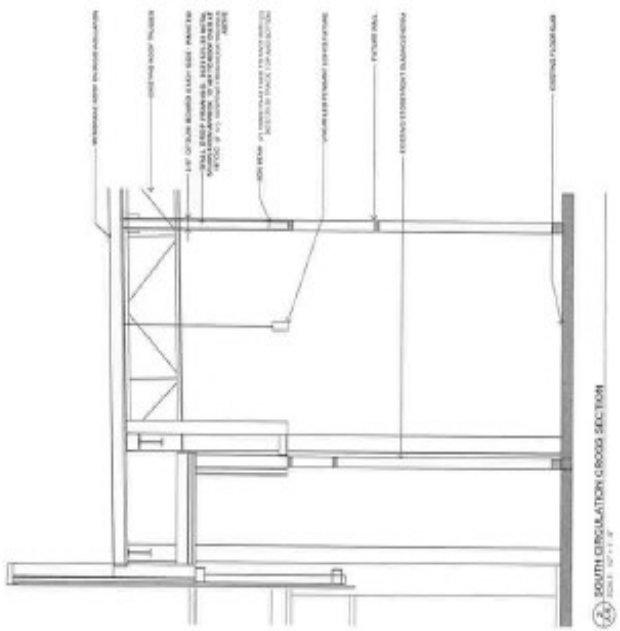
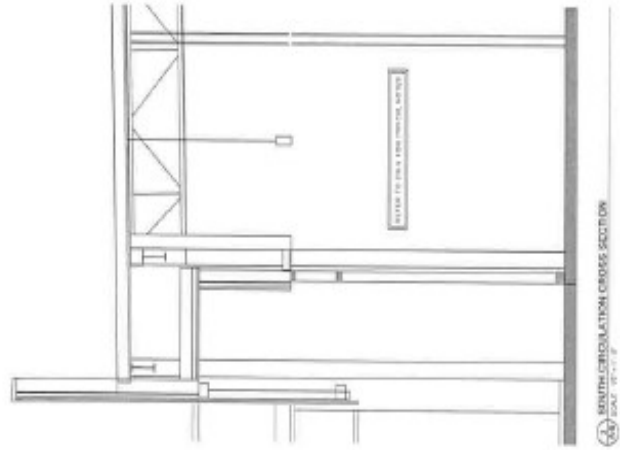
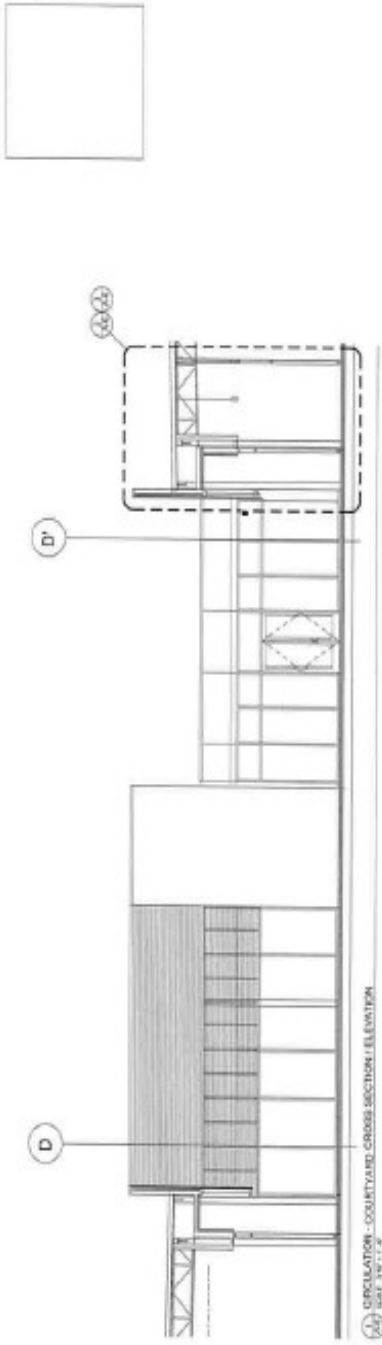


# EXHIBIT G

## ABSCI, LLC,

### A DELAWARE LIMITED LIABILITY COMPANY

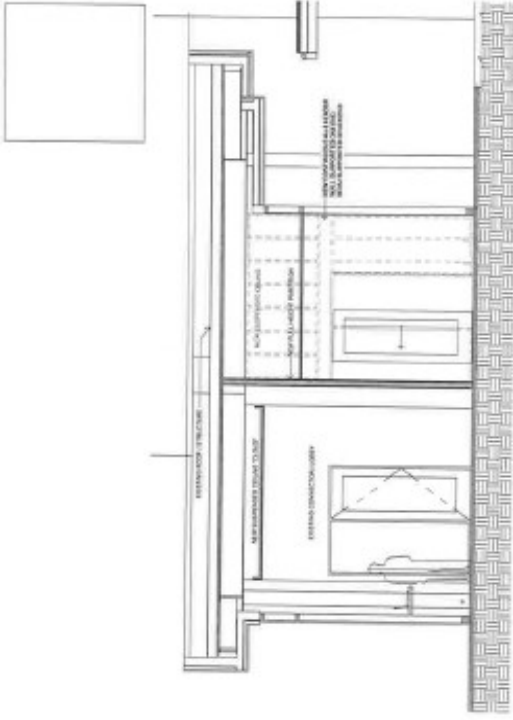
PROJECT # 05010	Martin W. Hanson, Architect 1025 NW BOULDER BLVD. SUITE 200 PORTLAND, OR 97208 503.241.4000 503.241.7700 503.241.4000 BUILDING PERMIT # 27784 (4/2015)	SPACE FOR <b>FACTRUST</b> CTC 885 COMMON AREA BUILD-OUT - SOUTH 1105 DELL BLVD. SUITE 200 COLLEEN RICH CENTER WACO, TX 76798	SHEET NO. A-6



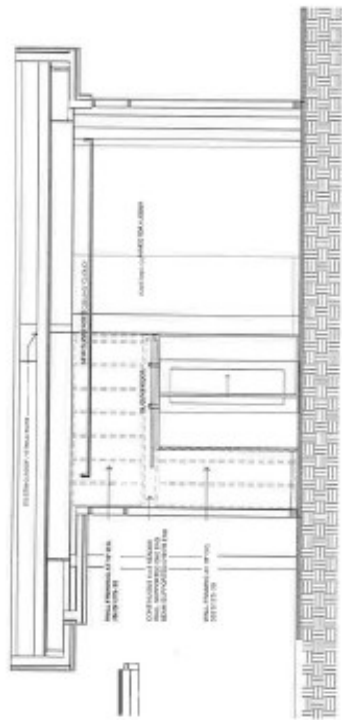
# EXHIBIT G

## ABSCI, LLC, A DELAWARE LIMITED LIABILITY COMPANY

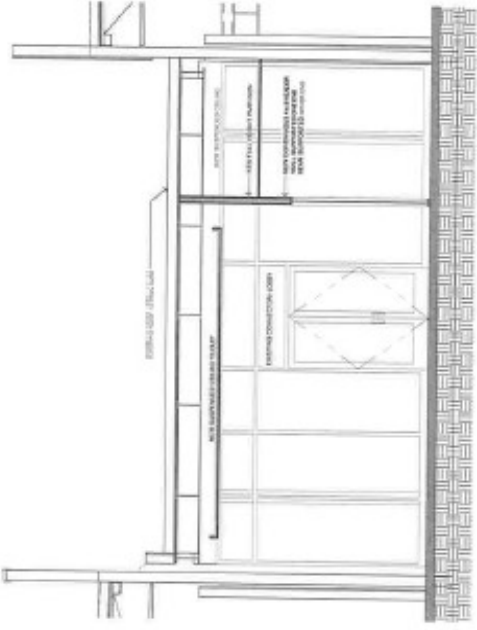
PROJECT #1802	<b>Martin W. Hansson, Architect</b> 1200 15th Street, Suite 1000 Portland, OR 97201 503.228.4200 mwhans@mwah.com	<b>Pactrust</b> 1000 15th Street, Suite 1000 Portland, OR 97201 503.228.4200 mwhans@mwah.com	DATE: 08/20/20 DRAWING NO.: 1802-01-01 SHEET NO.: 1802-01-01	REVISION NO. 1 DATE: 08/20/20	<b>A-7</b>



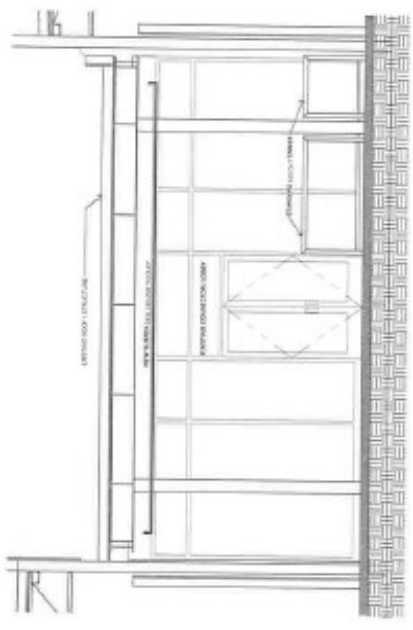
1 EAST LOBBY TRANSVERSE SECTION - LOOKING NORTH (WEST LOBBY OPPOSITE WARD SIDE)



2 EAST LOBBY TRANSVERSE SECTION - LOOKING SOUTH (WEST LOBBY OPPOSITE WARD SIDE)



3 EAST LOBBY CROSS SECTION - LOOKING EAST (WEST LOBBY OPPOSITE WARD SIDE)



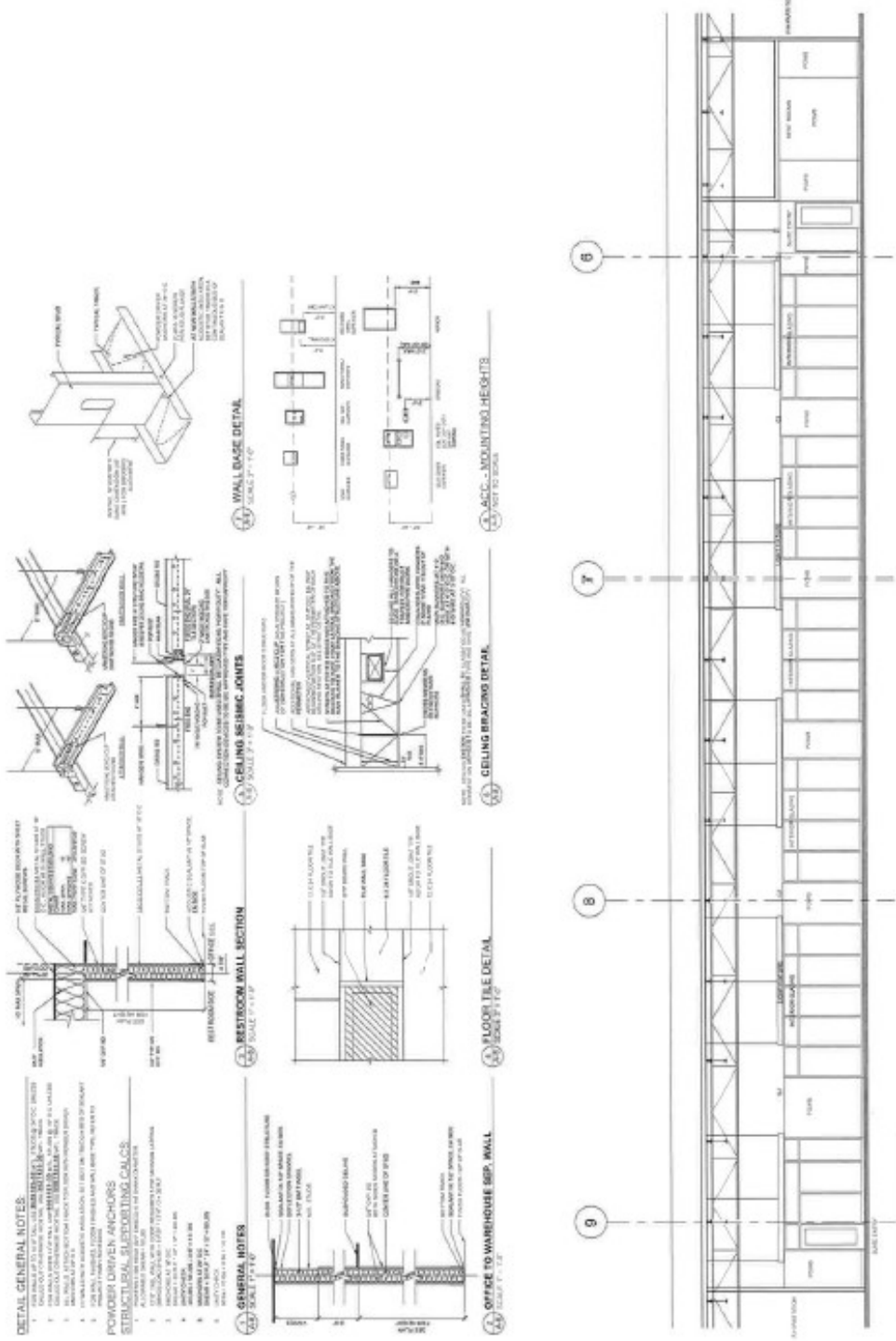
4 EAST LOBBY CROSS SECTION - LOOKING WEST (WEST LOBBY OPPOSITE WARD SIDE)

# EXHIBIT G

## ABSCI, LLC, A DELAWARE LIMITED LIABILITY COMPANY

<b>Project Name:</b> CTC 695 COMMON AREA BUILD-OUT - SOUTH <b>Client:</b> ABSCI, LLC <b>Architect:</b> Martin W. Hanson, Architect 1000 G Street, Suite 200 Philadelphia, PA 19106 Phone: 215-561-1100 Fax: 215-561-1101 Website: www.mwhanson.com	<b>Revision:</b> 1. 08/20/2024: REVISED PER COMMENTS FROM ARCHITECT. 2. 08/20/2024: REVISED PER COMMENTS FROM ARCHITECT. 3. 08/20/2024: REVISED PER COMMENTS FROM ARCHITECT. 4. 08/20/2024: REVISED PER COMMENTS FROM ARCHITECT. 5. 08/20/2024: REVISED PER COMMENTS FROM ARCHITECT.
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A-8



SECTION / ELEVATION  
DATE: 08/20/24

**EXHIBIT H**



THIS DRAFT IS FOR DISCUSSION PURPOSES ONLY.  
IT WILL BECOME AN INTEGRAL PART OF AND MUST BE ATTACHED TO WESTERN ALLIANCE BANK APPLICATION FOR  
STANDBY LETTER OF CREDIT WHEN APPROVED FOR ISSUANCE BY APPLICANT

---

IRREVOCABLE STANDBY LETTER OF CREDIT NO LC \_\_\_\_\_

DATE: November 25, 2020

ISSUING BANK: WESTERN ALLIANCE BANK  
55 ALMADEN BOULEVARD, SUITE 100  
SAN JOSE, CA 95113

BENEFICIARY: COLUMBIA TECH CENTER, L.L.C.  
ATTN: RE COUNSEL — CTC685 ABSCI  
15350 S.W. SEQUOIA PARKWAY, SUITE 300  
PORTLAND, OR 97224

APPLICANT: ABSCI CORPORATION  
101 E. 6<sup>th</sup> STREET, SUITE 350  
VANCOUVER, WA 98660

AMOUNT: USD 1,000,000.00

EXPIRATION DATE: November 25, 2021

LOCATION: AT OUR COUNTER IN SAN JOSE, CALIFORNIA

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. LC \_\_\_\_\_ IN YOUR FAVOR (THE “BENEFICIARY”). THIS LETTER OF CREDIT IS AVAILABLE BY SIGHT PAYMENT WITH OURSELVES ONLY AGAINST PRESENTATION AT THIS OFFICE OF THE FOLLOWING DRAWING DOCUMENTS:

1. THE ORIGINAL OF THIS LETTER OF CREDIT AND ALL AMENDMENT(S) OR COPIES THERETO BY ELECTRONIC MAIL TO LETTEROFCREDIT-DL@BRIDGEBANK.COM, ATTN: LETTER OF CREDIT DEPARTMENT, IN ACCORDANCE WITH THE PROVISIONS BELOW (AN “EMAIL DRAWING”), IF ANY.
2. YOUR SIGHT DRAFT DRAWN ON US IN THE FORM ATTACHED HERETO AS EXHIBIT “A”.
3. BENEFICIARY’S DATED AND SIGNED STATEMENT STATING THE FOLLOWING:  
  
“THE UNDERSIGNED IS ENTITLED TO DRAW UPON THIS CREDIT IN ACCORDANCE WITH THE TERMS OF THAT CERTAIN LEASE BY AND BETWEEN COLUMBIA TECH CENTER, L.L.C. AND ABSCI CORPORATION (AS THE SAME MAY BE MODIFIED, AMENDED OR ASSIGNED).”

PARTIAL DRAWING AND MULTIPLE PRESENTATIONS ARE ALLOWED.

THIS ORIGINAL LETTER OF CREDIT AND ALL AMENDMENT(S) (UNLESS BY AN EMAIL DRAWING), IF ANY, MUST ACCOMPANY ANY DRAWINGS HEREUNDER FOR ENDORSEMENT OF THE DRAWING AMOUNT AND WILL BE RETURNED TO THE BENEFICIARY, PROVIDED; HOWEVER, THAT THE REMAINING AMOUNT AVAILABLE HEREUNDER SHALL BE REDUCED BY THE AMOUNT OF THE DRAWINGS.

DRAFT(S) AND DOCUMENTS MUST INDICATE THE NUMBER AND DATE OF THIS LETTER OF CREDIT.

PRESENTATION OF SUCH DRAWING DOCUMENTS MAY ALSO BE MADE BY ELECTRONIC MAIL TO LETTEROFCREDIT-DL@BRIDGEBANK.COM OR SUCH OTHER ELECTRONIC MAIL ADDRESS IDENTIFIED BY ISSUER IN A WRITTEN NOTICE TO YOU. PROVIDED, HOWEVER, THAT AN EMAIL DRAWING WILL NOT BE EFFECTIVELY PRESENTED UNTIL YOU CONFIRM BY TELEPHONE OUR RECEIPT OF SUCH EMAIL DRAWING BY CONTACTING US AT (408) 556-8397. IF YOU PRESENT AN EMAIL DRAWING UNDER THIS LETTER OF CREDIT, YOU DO NOT NEED TO PRESENT THE ORIGINAL OF ANY DRAWING DOCUMENTS.

IF THE DRAWING DOCUMENTS ARE PRESENTED HEREUNDER BY SIGHT OR BY ELECTRONIC MAIL AS PERMITTED HEREUNDER, AND PROVIDED THAT SUCH DRAWING DOCUMENTS CONFORM TO THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, PAYMENT SHALL BE MADE TO YOU, OR TO YOUR DESIGNEE, OF THE AMOUNT



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SPECIFIED, IN IMMEDIATELY AVAILABLE FUNDS ON THE FOURTH BANKING DAY SUBJECT TO THE BANK'S RECEIPT OF THE ORIGINAL DRAWING DOCUMENTS (OTHER THAN AN EMAIL DRAWING). IF A DEMAND FOR PAYMENT MADE BY YOU HEREUNDER DOES NOT, IN ANY INSTANCE, CONFORM TO THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, WE SHALL GIVE YOU NOTICE WITHIN TWO (2) BANKING DAYS THAT THE DEMAND FOR PAYMENT WAS NOT EFFECTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, STATING THE REASONS THEREFORE AND THAT WE WILL UPON YOUR INSTRUCTIONS HOLD ANY DOCUMENTS AT YOUR DISPOSAL OR RETURN THE SAME TO YOU. UPON BEING NOTIFIED THAT THE DEMAND FOR PAYMENT WAS NOT EFFECTED IN CONFORMITY WITH THIS LETTER OF CREDIT, YOU MAY ATTEMPT TO CORRECT ANY SUCH NONCONFORMING DEMAND FOR PAYMENT TO THE EXTENT THAT YOU ARE ENTITLED TO DO SO AND WITHIN THE VALIDITY OF THIS LETTER OF CREDIT.

THIS LETTER OF CREDIT IS TRANSFERABLE SUCCESSIVELY IN ITS ENTIRETY ONLY UP TO THE THEN AVAILABLE AMOUNT IN FAVOR OF ANY NOMINATED TRANSFEREE THAT BENEFICIARY CERTIFIES IN THE TRANSFER REQUEST AS THE SUCCESSOR IN INTEREST TO BENEFICIARY ("TRANSFEREE"), ASSUMING SUCH TRANSFER TO SUCH TRANSFEREE WOULD BE IN COMPLIANCE WITH THEN APPLICABLE LAW AND REGULATIONS, INCLUDING BUT NOT LIMITED TO THE REGULATIONS OF THE U.S. DEPARTMENT OF TREASURY AND U.S. DEPARTMENT OF COMMERCE. AT THE TIME OF TRANSFER, THE ORIGINAL LETTER OF CREDIT AND ORIGINAL AMENDMENT(S), IF ANY, MUST BE SURRENDERED TO US TOGETHER WITH OUR LETTER OF CREDIT TRANSFER INSTRUCTIONS (IN THE FORM OF EXHIBIT "B" ATTACHED HERETO) AND PAYMENT OF OUR TRANSFER COMMISSION IN EFFECT AT THE TIME OF THE TRANSFER. THE AUTHENTICITY OF THE SIGNATURE AND TITLE OF THE PERSON SIGNING THE TRANSFER FORM MUST BE VERIFIED BY BENEFICIARY'S BANK.

THE DATE THIS LETTER OF CREDIT FULLY AND FINALLY EXPIRES, MAY 1, 2026, IS THE "TERMINAL EXPIRY DATE", IF IT HAS NOT PREVIOUSLY EXPIRED IN ACCORDANCE WITH THE SUCCEEDING PARAGRAPH. NO PRESENTATIONS MADE UNDER THIS LETTER OF CREDIT AFTER THE TERMINAL EXPIRY DATE WILL BE HONORED.

THIS LETTER OF CREDIT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR A ONE YEAR PERIOD STARTING FROM THE PRESENT EXPIRATION DATE HEREOF, NOVEMBER 25, 2021 AND UPON EACH ANNIVERSARY OF SUCH DATE, UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO ANY SUCH EXPIRATION DATE WE HAVE SENT YOU A WRITTEN NOTICE BY COURIER SERVICE OR OVERNIGHT MAIL THAT WE ELECT NOT TO PERMIT THIS LETTER OF CREDIT TO BE SO EXTENDED BEYOND ITS THEN CURRENT EXPIRATION DATE. NO PRESENTATION MADE UNDER THIS LETTER OF CREDIT AFTER SUCH DATE WILL BE HONORED.

THIS LETTER OF CREDIT MAY ALSO BE CANCELLED PRIOR TO ANY PRESENT OR FUTURE EXPIRATION DATE, UPON RECEIPT BY WESTERN ALLIANCE BANK BY OVERNIGHT COURIER OR REGISTERED MAIL (RETURN RECEIPT REQUESTED) OF THE ORIGINAL LETTER OF CREDIT AND ALL AMENDMENT(S), IF ANY, FROM THE BENEFICIARY TOGETHER WITH A STATEMENT SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE BENEFICIARY ON COMPANY LETTERHEAD STATING THAT THE LETTER OF CREDIT IS NO LONGER REQUIRED AND IS BEING RETURNED FOR CANCELLATION.

DOCUMENTS MUST BE DELIVERED TO US DURING REGULAR BUSINESS HOURS OF A BANKING DAY OR FORWARDED TO US BY OVERNIGHT DELIVERY SERVICE TO: WESTERN ALLIANCE BANK, 55 ALMADEN BLVD., SUITE 100, SAN JOSE, CA 95113, U.S.A. ATTENTION: INTERNATIONAL BANKING - STANDBY LETTER OF CREDIT NEGOTIATION DEPARTMENT (THE "BANK'S" OFFICE).

AS USED HEREIN, THE TERM "BANKING DAY" MEANS A DAY ON WHICH WE ARE OPEN AT OUR ABOVE ADDRESS IN SAN JOSE, CALIFORNIA TO CONDUCT OUR LETTER OF CREDIT BUSINESS. NOTWITHSTANDING ANY PROVISION TO THE CONTRARY IN THE ISP98 (AS HEREINAFTER DEFINED), IF THE EXPIRATION DATE OR THE TERMINAL EXPIRY DATE IS NOT A BANKING DAY THEN SUCH DATE SHALL BE AUTOMATICALLY EXTENDED TO THE NEXT SUCCEEDING DATE WHICH IS A BANKING DAY.

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WESTERN ALLIANCE BANK. MEMBER FDIC

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ALL BANKING CHARGES UNDER THIS LETTER OF CREDIT INCLUDING WIRE REMITTANCE FEE ARE FOR THE ACCOUNT OF THE APPLICANT.

WE HEREBY AGREE WITH YOU THAT THE DRAFTS DRAWN UNDER AND IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT SHALL BE DULY HONORED BY WESTERN ALLIANCE BANK.

EXCEPT AS FAR AS OTHERWISE EXPRESSLY STATED HEREIN, THIS LETTER OF CREDIT WILL BE (I) SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES ISP98 (INTERNATIONAL CHAMBER OF COMMERCE, PUBLICATION NO. 590) OR ANY SUBSEQUENT REVISIONS THEREOF; AND (II) SUBJECT TO AND IN FULL COMPLIANCE WITH THE THEN EXISTING SANCTIONS REGULATIONS OF THE OFFICE OF FOREIGN ASSETS CONTROL, UNITED STATES DEPARTMENT OF TREASURY.

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WESTERN ALLIANCE BANK

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SENIOR VICE PRESIDENT

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**EXHIBIT "A"**

**SIGHT DRAFT/BILL OF EXCHANGE**

DATE: \_\_\_\_\_

REF NO. \_\_\_\_\_

AT SIGHT OF THIS BILL OF EXCHANGE

PAY TO THE ORDER OF \_\_\_\_\_ US\$ \_\_\_\_\_

US DOLLARS \_\_\_\_\_

"DRAWN UNDER WESTERN ALLIANCE BANK, SAN JOSE, CALIFORNIA, IRREVOCABLE STANDBY LETTER OF CREDIT  
NUMBER: \_\_\_\_\_ DATED: \_\_\_\_\_"

TO: WESTERN ALLIANCE BANK  
INTERNATIONAL BANKING  
55 ALMADEN BLVD  
SUITE 100 SAN JOSE, CA, 95113  
U.S.A.

COLUMBIA TECH CENTER, L.L.C.  
("BENEFICIARY")

\_\_\_\_\_  
AUTHORIZED SIGNATURE

**GUIDELINES TO PREPARE THE SIGHT DRAFT OR BILL OF EXCHANGE:**

- |                             |   |
|-----------------------------|---|
| 1. DATE                     | ISSUANCE DATE OF DRAFT OR BILL OF EXCHANGE. |
| 2. REF NO                   | YOUR REFERENCE NUMBER, IF ANY.              |
| 3. PAY TO THE ORDER OF:     | NAME OF BENEFICIARY                         |
| 4. US\$                     | AMOUNT OF DRAWING IN NUMERIC FIGURES        |
| 5. US DOLLARS               | AMOUNT OF DRAWING - IN WORDS.               |
| 6. LETTER OF CREDIT NUMBER: | OUR STANDBY LETTER OF CREDIT NUMBER         |
| 7. DATED:                   | ISSUANCE DATE OF STANDBY LETTER OF CREDIT   |

NOTE: BENEFICIARY MUST ENDORSE THE BACK OF THE SIGHT DRAFT OR BILL OF EXCHANGE AS YOU WOULD  
ENDORSE A CHECK.

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**EXHIBIT "B"**

**LETTER OF CREDIT TRANSFER INSTRUCTIONS**

TO: WESTERN ALLIANCE BANK  
55 ALMADEN BLVD  
SUITE 100  
SAN JOSE, CA 95113  
U.S.A.

ATTN: INTERNATIONAL BANKING  
(408) 556-8397

DATE: \_\_\_\_\_

RE: WESTERN ALLIANCE BANK IRREVOCABLE STANDBY LETTER OF CREDIT NO \_\_\_\_\_ LETTER OF CREDIT DATED:  
\_\_\_\_\_

LADIES AND GENTLEMEN:

FOR VALUE RECEIVED, THE UNDERSIGNED BENEFICIARY ("BENEFICIARY") HEREBY IRREVOCABLY TRANSFERS TO:

\_\_\_\_\_  
(NAME OF TRANSFEREE)

\_\_\_\_\_  
(ADDRESS)

\_\_\_\_\_  
(CONTACT NAME)

\_\_\_\_\_  
(TELEPHONE NUMBER)

("TRANSFEREE") ALL RIGHTS OF BENEFICIARY UNDER THE ABOVE LETTER OF CREDIT ("LETTER OF CREDIT") AND TRANSFEREE SHALL HAVE SOLE RIGHTS AS BENEFICIARY THEREOF, INCLUDING WITHOUT LIMITATION SOLE RIGHTS RELATING TO ANY AMENDMENTS THERETO\* WHETHER INCREASES OR EXTENSIONS OR OTHER AMENDMENTS AND WHETHER NOW EXISTING OR HEREAFTER MADE. IN CONNECTION WITH THE FOREGOING, BENEFICIARY HEREBY IRREVOCABLY AGREES AND INSTRUCTS YOU

- (A) THAT BENEFICIARY DOES NOT RETAIN ANY RIGHT TO REFUSE TO ALLOW YOU TO ADVISE TRANSFEREE OF ANY AMENDMENT TO THE LETTER OF CREDIT,
- (B) THAT ALL FUTURE AMENDMENTS TO THE LETTER OF CREDIT ARE TO BE ADVISED DIRECTLY TO TRANSFEREE WITHOUT NECESSITY OF ANY CONSENT OF OR NOTICE TO BENEFICIARY, AND
- (C) THAT THERE WILL BE NO SUBSTITUTION OF BENEFICIARY'S DRAFT(S) AND/OR OTHER DOCUMENTS FOR THOSE PRESENTED TO YOU BY TRANSFEREE.

WE ENCLOSE HERewith THE ORIGINAL LETTER OF CREDIT (AND ALL ORIGINAL AMENDMENTS THERETO DATED ON OR PRIOR TO THE DATE OF THESE TRANSFER INSTRUCTIONS) AND, TOGETHER WITH TRANSFEREE, REQUEST THAT YOU TRANSFER THE LETTER OF CREDIT TO TRANSFEREE BY REISSUING THE LETTER OF CREDIT IN FAVOR OF THE TRANSFEREE WITH PROVISIONS CONSISTENT WITH THE LETTER OF CREDIT. BENEFICIARY AND TRANSFEREE AGREE THAT ANY CHARGES ASSESSED BY YOU IN RELATION TO THIS TRANSFER SHALL BE PAID BY BENEFICIARY, UNLESS OTHERWISE PROVIDED IN THE LETTER OF CREDIT, AND THAT THIS TRANSFER SHALL NOT BE EFFECTIVE UNLESS AND UNTIL YOU RECEIVE SUCH PAYMENT.

WE WARRANT THAT THE TRANSACTION INVOLVED IS NOT IN VIOLATION OF ANY U.S. FOREIGN ASSETS CONTROL REGULATIONS.

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THIS TRANSFER SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAWS OF THE STATE OF ARIZONA WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES , ANY DISPUTES WITH RESPECT TO OR ARISING RELATED THERETO SHALL BE SUBJECT TO THE JURISDICTION OF THE COURTS OF THE STATE TO WHICH JURISDICTION THE PARTIES HEREBY SUBMIT.

VERY TRULY YOURS,

\_\_\_\_\_  
(NAME OF BENEFICIARY)

\_\_\_\_\_  
(AUTHORIZED SIGNATURE)

ACKNOWLEDGED AND ACCEPTED THIS

\_\_\_\_ DAY OF \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
(NAME OF TRANSFEREE)

\_\_\_\_\_  
(AUTHORIZED SIGNATURE)

SIGNATURE AUTHENTICATED

The name(s), title(s), and signature(s) conform to that/those on file with us for the company and the signature(s) is/are authorized to execute this instrument.

\_\_\_\_\_  
(Name of Beneficiary s Bank)

\_\_\_\_\_  
(Address of Bank)

\_\_\_\_\_  
(City, State, ZIP Code)

\_\_\_\_\_  
(Authorized Name and Title)

\_\_\_\_\_  
(Authorized Signature)

\_\_\_\_\_  
(Telephone number)

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