As filed with the Securities and Exchange Commission on July 15, 2021.

Registration No. 333-257553

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

Amendment No. 2
to
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

ABSCI CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware	8731	85-3383487
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

18105 SE Mill Plain Blvd
Vancouver, WA 98683
(360) 949-1041
(Address, including zip code and telephone number, including area code, of Registrant's principal executive offices)

Sean McClain
Chief Executive Officer
Absci Corporation
18105 SE Mill Plain Blvd
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(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price per Share(2)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(3)
Common Stock, par value $0.0001 per share	14,375,000	$17.00	$244,375,000	$26,662

(1) Includes 1,875,000 additional shares that the underwriters have the option to purchase.
(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(a) under the Securities Act.
(3) $10,910 of this registration fee was previously paid.

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 July 15, 2021.

Preliminary prospectus

12,500,000 shares

Common stock

This is an initial public offering of shares of common stock by Absci Corporation. We are offering 12,500,000 shares of our common stock to be sold in the offering. The initial public offering price is expected to be between $15.00 and $17.00 per share.

Prior to this offering, there has been no public market for our common stock. We have applied 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[(1)]	$	$
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 1,875,000 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 20.

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.

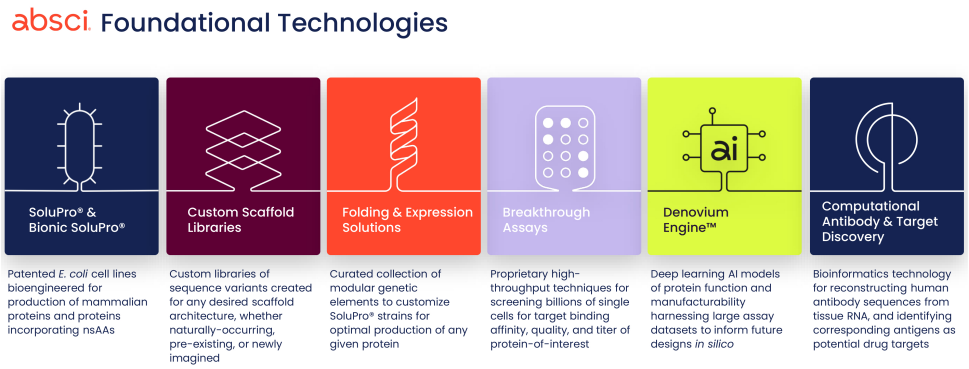
Our Integrated Drug Creation Platform

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.



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:

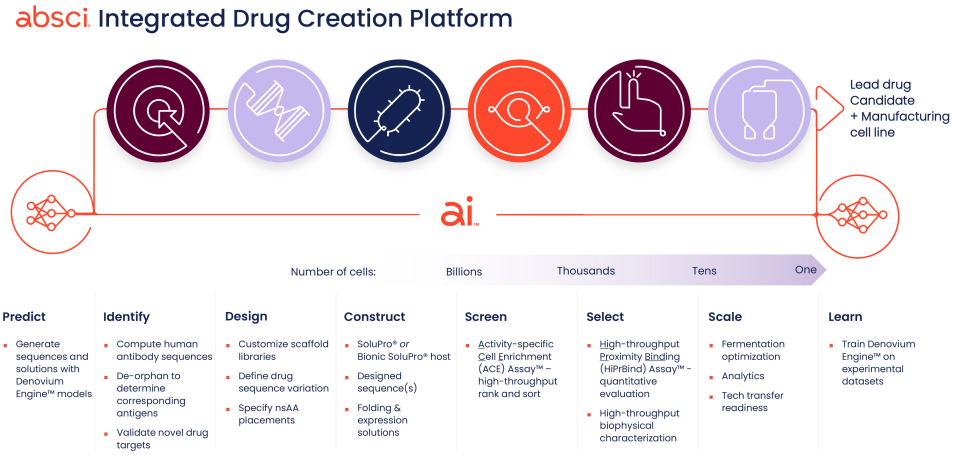
- Accelerated timelines from idea to drug candidate.
- Creation of new biologic modalities.
- Efficient production of complex biologics.
- Design of better drug candidates.
- Increase manufacturing productivity and reduce costs.

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*.



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 2,212,208 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 18105 SE Mill Plain Blvd, Vancouver, WA 98683, and our telephone number is (360) 949-1041. Our website address is 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	12,500,000 shares
Option to purchase additional shares	We have granted the underwriters an option to purchase up to 1,875,000 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	90,375,022 shares (or 92,250,022 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 $182.4 million, or $210.3 million if the underwriters exercise in full their option to purchase additional shares, assuming an initial public offering price of $16.00 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 20 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"
Directed Share Program	At our request, the underwriters have reserved up to 5.0% of the shares of our common stock offered by this prospectus for sale, at the initial public offering price, to our directors, officers, employees and certain other parties related to us. Shares purchased by our directors, officers and certain employees will be subject to the 180-day lock-up restriction described in the "Underwriting" section of this prospectus. The number of shares of common stock available for sale to the general public will be reduced to the extent these parties purchase such reserved shares. Any reserved shares that are not so purchased will be offered by the underwriters to the general public on the same basis as the other shares offered by this prospectus.

The number of shares of our common stock to be outstanding after this offering is based on 19,601,352 shares of common stock outstanding as of March 31, 2021 and also reflects (i) the conversion of our outstanding shares of redeemable convertible preferred stock into an aggregate of 46,266,256 shares of common stock immediately prior to the completion of this offering; (ii) the conversion of the Convertible Notes issued in March 2021 into an aggregate of 9,732,593 shares of our common stock immediately prior to the completion of this offering assuming an initial public offering price of $16.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and a conversion date of July 26, 2021 (the expected closing date of this offering); (iii) the issuance of 2,212,208 shares of common stock in connection with the Totient Acquisition; and (iv) the issuance of 62,613 shares of common stock after March 31, 2021 upon the exercise of stock options and excludes:

- 5,305,106 shares of our common stock issuable upon the exercise of options outstanding as of March 31, 2021, with a weighted-average exercise price of $1.10 per share, excluding options exercised and included above;
- 2,763,290 shares of our common stock issuable upon the exercise of options granted after March 31, 2021, with a weighted-average exercise price of $5.25 per share;
- 307,211 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 $0.30 per share;
- 1,802,300 shares of our common stock reserved for future issuance under our 2020 Stock Option and Grant Plan (2020 Plan) as of March 31, 2021;
- 8,133,750 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
- 903,750 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 3.3031 -for- 1.0 split of our common stock that we intend to effect prior to the effectiveness of the registration statement of which this prospectus is a part;
- the conversion of all outstanding shares of our redeemable convertible preferred stock into an aggregate of 46,266,256 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 9,732,593 shares of common stock upon the completion of this offering, assuming an initial public offering price of $16.00 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 July 26, 2021;
- no exercise of the outstanding options described above;
- no exercise by the underwriters of their option to purchase up to 1,875,000 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)	
Consolidated Statements of Operations Data:				
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	$ (1.57)	$ (3.19)	$ (0.91)	$ (0.70)
Weighted-average common shares and units outstanding: Basic and diluted	15,215,747	15,494,908	15,215,747	16,980,074
Pro forma net loss per share attributable to common shareholders: Basic and Diluted [(1)]		$ (0.99)		$ (0.19)
Pro forma weighted-average common shares outstanding: Basic and Diluted [(1)]		50,055,513		64,068,358

(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[1]	Pro Forma, As Adjusted[2][3]
			(in thousands)
Consolidated Balance Sheet Data:			
Cash and cash equivalents	$ 180,756	$ 132,087	$ 314,487
Working capital[4]	167,953	104,009	286,409
Total assets	222,833	275,867	458,267
Total liabilities	159,959	74,972	74,972
Redeemable convertible preferred stock	161,377	—	—
Accumulated deficit	(101,027)	(101,897)	(101,897)
Total other stockholders' deficit	(98,503)	200,893	383,293

(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 46,266,256 shares of our common stock immediately prior to the completion of this offering; and (ii) the issuance of 9,732,593 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 $16.00, the midpoint of the price range set forth on the cover of this prospectus, and assuming that the offering is completed on July 26, 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 $$16.00 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 $16.00 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 $11.6 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 $14.9 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 Biomedicines, Inc., as well as adjacent technology companies pursuing small molecule design such as Schrodinger, Inc., Recursion Pharmaceuticals, Inc., Relay Therapeutics, Inc., Atomwise Inc., Valo Health, 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 Biologics Limited 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., Adimab LLC and Alloy Therapeutics, Inc.;
- 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., Zymergen Inc., Geltor, Inc., Antheia, Inc., and Bolt Threads, 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 June 30, 2021, we had 169 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. We currently have partnerships covering nine Active Programs for which we have negotiated or expect to negotiate upon completion of certain technology development activities, royalty- and milestone-bearing licenses. There is no assurance, however, that we will be able to negotiate or maintain such licenses on acceptable terms. 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 $16.00 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 $12.54 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 47% of the total amount invested by stockholders since our inception but will own only approximately 14% 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 90,375,022 shares of common stock, assuming an initial public offering price of $16.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and a conversion date of July 26, 2021 (the expected closing date of this offering) with respect to our convertible promissory notes issued in March 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 or by our directors, officers or certain employees in the directed share program. The remaining 77,875,022 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 46,266,256 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 307,211 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 9,037,500 shares. The number of shares of common stock reserved for issuance under the 2021 Plan and 2021 ESPP shall be increased on January 1, 2022 and each January 1 thereafter by 5% and 1%, respectively, 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 June 30, 2021, our executive officers, directors, and 5% stockholders beneficially own approximately 62.70% of our common stock prior to the completion of this offering. After the sale and issuance of 12,500,000 shares in this offering and assuming an initial public offering price of $16.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and a conversion date of July 26, 2021 (the expected closing date of this offering) with respect to our convertible promissory notes issued in March 2021, our executive officers, directors, and 5% stockholders will beneficially own approximately 51.69% of our common stock (not 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. Assuming an initial public offering price of $16.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and a conversion date of July 26, 2021 (the expected closing date of this offering) with respect to our convertible promissory notes issued in

March 2021, upon the closing of this offering, we will have 90,375,022 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 77,875,022 shares of common stock outstanding after this offering, assuming an initial public offering price of $16.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and a conversion date of July 26, 2021 (the expected closing date of this offering) with respect to our convertible promissory notes issued in March 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 46,573,467 shares of common stock issuable upon the conversion of shares of our redeemable convertible preferred stock and the exercise of our outstanding warrant 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—Agreements with Stockholders” 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 an aggregate of 16,991,406 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 do not 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 12,500,000 shares of our common stock in this offering will be approximately $182.4 million, or approximately $210.3 million if the underwriters exercise in full their option to purchase 1,875,000 additional shares, assuming an initial public offering price of $16.00 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 $16.00 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 $11.6 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 $14.9 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 June 30, 2021, we had cash and cash equivalents of $99.5 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 2023. 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 46,266,256 shares of our common stock immediately prior to the completion of this offering; (ii) the issuance of 9,732,593 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 $16.00, the midpoint of the price range set forth on the cover of this prospectus, and assuming that the offering is completed on July 26, 2021, (iii) the consummation of the Totient Acquisition (other than the potential payment of the additional $15.0 million for achievement of certain milestones), (iv) the issuance of 62,613 shares of common stock issued after March 31, 2021 upon the exercise of stock options and (v) 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 12,500,000 shares of our common stock in this offering at an assumed initial public offering price of $16.00 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[1]
			(unaudited)
			(in thousands, except share and per share data)
Cash and cash equivalents	$ 180,756	$ 132,087	$ 314,487
Convertible Notes	$ 125,000	$ —	$ —
Long-Term Debt, including current portion	5,055	5,055	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; 19,601,352 shares issued and outstanding, actual; 500,000,000 shares authorized, 77,875,022 shares issued and outstanding, pro forma; 500,000,000 shares authorized, 90,375,022 shares issued and outstanding, pro forma as adjusted	2	8	9
Preferred stock, $0.0001 par value per share; no shares authorized, issued or outstanding, actual; 10,000,000 shares authorized, no shares issued or outstanding, pro forma and pro forma as adjusted	—	—	—
Additional paid-in capital	2,522	$ 302,782	485,181
Accumulated deficit	(101,027)	(101,897)	(101,897)
Total stockholders' (deficit) equity	(98,503)	200,893	383,293
Total capitalization	$ 192,929	$ 205,948	$ 388,348

(1) Each $1.00 increase or decrease in the assumed initial public offering price of $16.00 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 $11.6 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 $14.9 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 19,601,352 shares of common stock outstanding as of March 31, 2021, and reflects (i) 46,266,256 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 9,732,593 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 $16.00, the midpoint of the price range set forth on the cover of this prospectus, and assuming that the offering is completed on July 26, 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 issuance of 62,613 shares of common stock issued after March 31, 2021 upon the exercise of stock options, and excludes:

- 5,305,106 shares of our common stock issuable upon the exercise of options outstanding as of March 31, 2021, with a weighted-average exercise price of $1.10 per share, excluding options exercised and included above;
- 2,763,290 shares of our common stock issuable upon the exercise of options granted after March 31, 2021, with a weighted-average exercise price of $5.25 per share;
- 307,211 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 $0.30 per share;
- 1,802,300 shares of our common stock reserved for future issuance under our 2020 Plan as of March 31, 2021;
- 8,133,750 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
- 903,750 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 $(102.0) million, or $(5.20) per share.

Our pro forma net tangible book (deficit) value as of March 31, 2021 was $130.2 million, or $1.67 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 46,266,256 shares of common stock immediately prior to the completion of this offering; (ii) the issuance of 9,732,593 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 $16.00, the midpoint of the price range set forth on the cover of this prospectus, and assuming that the offering is completed on July 26, 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 (iv) the issuance of 62,613 shares of common stock issued after March 31, 2021 upon the exercise of stock options.

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 $16.00 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 $16.00 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 $312.6 million, or $3.46 per share. This represents an immediate increase in net tangible book value of $1.79 per share to existing stockholders and an immediate dilution in net

tangible book value of $12.54 per share to purchasers of common stock in this offering, as illustrated in the following table:

Assumed initial public offering price per share			$	16.00
Historical net tangible book value (deficit) per share as of March 31, 2021	$	(5.20)		
Pro forma increase in net tangible book value (deficit) per share as of March 31, 2021	$	6.87		
Pro forma net tangible book value per share as of March 31, 2021	$	1.67		
Increase in pro forma net tangible book value per share attributable to new investors participating in this offering	$	1.79		
Pro forma as adjusted net tangible book value per share after this offering			$	3.46
Dilution per share to new investors participating in this offering			$	12.54

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 $3.69 per share, the increase in pro forma as adjusted net tangible book value per share to existing stockholders would be $2.02 per share and the dilution to new investors purchasing shares in this offering would be $12.31 per share.

Each $1.00 increase (decrease) in the assumed public offering price of $16.00 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 $11.6 million, or $0.13 per share, and dilution per share to investors in this offering by $0.87 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 $14.9 million, or approximately $0.12 per share and would increase or decrease, as applicable, dilution per share to investors in this offering by approximately $0.12 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.

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 (000's)		Average price per share
	Number	Percent	Amount	Percent	
Existing stockholders before this offering	77,875,022	86 %	230,000	53 %	$ 2.95
New investors participating in this offering	12,500,000	14 %	200,000	47 %	$ 16.00
Totals	90,375,022	100 %	430,000	100 %	

The above discussion and tables do not reflect any purchases in our directed share program by directors, officers, employees or other parties related to us who are existing stockholders.

The foregoing tables and calculations (other than the historical net tangible book value calculations) are based on 19,601,352 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 46,266,256 shares of our common stock immediately prior to the completion of this offering; (ii) the issuance of 9,732,593 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 $16.00, the midpoint of the price range set forth on the cover of this prospectus, and assuming that the offering is completed on July 26, 2021; (iii) the consummation of the Totient Acquisition (other than the potential payment of the additional $15.0 million for achievement of certain milestones), including the issuance of 2,212,208 shares of common stock in connection therewith; and (iv) the issuance of 62,613 shares of common stock after March 31, 2021 upon the exercise of stock options; and excludes:

- 5,305,106 shares of our common stock issuable upon the exercise of options outstanding as of March 31, 2021, with a weighted-average exercise price of $1.10 per share, excluding options exercised and included above;
- 2,763,290 shares of our common stock issuable upon the exercise of options granted after March 31, 2021, with a weighted-average exercise price of $5.25 per share;
- 307,211 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 $0.30 per share;
- 1,802,300 shares of our common stock reserved for future issuance under our 2020 Plan as of March 31, 2021;
- 8,133,750 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
- 903,750 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)			
Consolidated Statements of Operations Data:				
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	$ (1.57)	$ (3.19)	$ (0.91)	$ (0.70)
Weighted-average common shares and units outstanding: Basic and diluted	15,215,747	15,494,908	15,215,747	16,980,074
Pro forma net loss per share attributable to common stockholders and unitholders: Basic and Diluted[1]		$ (0.99)		$ (0.19)
Pro forma weighted-average common shares and units outstanding: Basic and Diluted[1]		50,055,513		64,068,358

	March 31 2021	December 31, 2020	2019
			(in thousands)
Consolidated Balance Sheet Data:			
Cash and cash equivalents	$ 180,756	$ 69,867	$ 13,086
Working capital[(2)]	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 2,212,208 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
ASSETS					
Current assets:					
Cash and cash equivalents	$ 180,756	$ 1,650	$ (50,319)	[6A] [6B]	$ 132,087
Receivables under development arrangements	1,040	—	—		1,040
Prepaid expenses and other current assets	3,548	54	88	[6B]	3,690
Total current assets	185,344	1,704	(50,231)		136,817
Operating lease right-of-use assets	7,610	392	(124)	[6B]	7,878
Property and equipment - net	21,623	139	(21)	[6B]	21,741
Intangibles	2,410	—	54,600	[6B]	57,010
Goodwill	1,055	—	23,552	[6B]	24,607
Restricted cash	4,367	—	23,000	[6A]	27,367
Other assets	424	—	23	[6B]	447
TOTAL ASSETS	$ 222,833	$ 2,235	$ 50,799		$ 275,867
LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND UNITS AND OTHER STOCKHOLDERS' AND MEMBERS' DEFICIT					
Current liabilities:					
Accounts payable	$ 8,449	$ 170	$ (76)	[6B]	$ 8,543
Accrued expenses	2,432	211	6,989	[6B]	9,632
Current portion of long-term debt	917	34,767	(34,767)	[6D]	917
Current portion of operating lease obligations	1,121	222	(99)	[6B]	1,244
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	(19,953)		32,808
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	—	13,787	[6B]	13,943
Other long-term liabilities	1,545	1,843	(1,779)	[6B]	1,609
TOTAL LIABILITIES	159,959	37,834	2,179		199,972
Commitments (See Note 6)					
Redeemable convertible preferred stock	161,377	—	—		161,377
OTHER STOCKHOLDERS' AND MEMBERS' DEFICIT					
Common stock	2	—	—		2
Additional paid-in capital	2,522	4,257	9,634	[6F]	16,413
Accumulated deficit	(101,027)	(39,856)	38,986	[6E] [6F]	(101,897)
TOTAL OTHER STOCKHOLDERS' AND MEMBERS' DEFICIT	(98,503)	(35,599)	48,620		(85,482)
TOTAL LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND UNITS AND OTHER STOCKHOLDERS' AND MEMBERS' DEFICIT	$ 222,833	$ 2,235	$ 50,799		$ 275,867

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	2,236	[7A] [7C]	16,114
Selling, general and administrative	5,502	1,248	4,233	[7A] [7B] [7C]	10,983
Depreciation and amortization	1,131	22	2,905	[7D] [7E]	4,058
Total operating expenses	18,081	3,700	9,374		31,155
Operating loss	(13,301)	(3,700)	(9,374)		(26,375)
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)	(8,005)		(27,369)
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)	$ (8,005)		$ (62,485)
Net loss per share, basic and diluted (Note 10)	$ (3.19)				$ (3.70)

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	404	[8A]	9,644
Selling, general and administrative	4,685	549	603	[8A]	5,837
Depreciation and amortization	476	7	726	[8B] [8C]	1,209
Total operating expenses	12,211	2,746	1,733		16,690
Operating loss	(11,148)	(2,746)	(1,733)		(15,627)
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)	18,159		(15,746)
Income tax benefit	477	—	—		477
Net loss and other comprehensive loss	(10,962)	(22,466)	18,159		(15,269)
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)	$ 18,159		$ (16,264)
Net loss per share, basic and diluted (Note 10)	$ (0.70)				$ (0.87)

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 2,212,208 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	13,891	(ii)
Estimated cash payment contingent on achieving specified milestone	10,600	(iii)
Total	$ 59,859	

(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, 2,212,208 common shares issued in payment to Totient stockholders with 1,282,747 vesting immediately and therefore included in the purchase price consideration. The remaining 929,461 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)	$ 59,859

(In thousands, except for share and units, and per share and per units data)	Preliminary Purchase Price Adjustment	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,751	
Prepaid expenses and other current assets.	141	
Total current assets	1,892	
Right of Use Asset	268	
Property and equipment, net	118	
Goodwill	23,552	(i)
Intangible assets	54,600	(ii)
Other Assets	23	
TOTAL ASSETS	$ 80,453	
Current liabilities:		
Accounts payable	94	
Short Term Lease Liability	123	
Accrued expenses	6,381	
Total current liabilities	6,598	
Operating lease obligations	145	
Deferred income tax liability	13,787	
Other long-term liabilities	64	
TOTAL LIABILITIES	$ 20,594	
Fair value of net identifiable assets acquired and liabilities assumed	$ 59,859	

(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)[(a)]	Estimated useful lives (in years)[(b)]
Monoclonal antibody library	$ 46,300	20
Developed software platform and the related methods patents	8,300	15
Total	$ 54,600	

(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 and reflect the estimated stock consideration paid to Totient stockholders as described in Note 4.

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 share and per share amounts)	**Year Ended December 31, 2020**	**Three Months Ended March 31, 2021**
Pro forma net loss	$ (62,485)	$ (16,264)
Pro forma basic and diluted weighted-average shares outstanding	16,871,372	18,634,617
Pro forma basic and diluted loss per share	$ (3.70)	$ (0.87)

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. As of June 30, 2021, we had cash and cash equivalents totaling $99.5 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 9,732,593 shares upon the closing of this offering, assuming an initial public offering price of $16.00 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 July 26, 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 2,212,208 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 Ended March 31,
	2019	2020	2021
Partners, Cumulative	12	16	17
Programs, Cumulative	23	29	31
Active Programs [(1)]	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)	
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 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,			
	2020	2021	$ Change	% Change
Revenues				
Technology development revenue	$ 525	$ 940	$ 415	79 %
Collaboration revenue	47	123	76	162
Total revenues	$ 572	$ 1,063	$ 491	86 %

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,			
	2020	2021	$ Change	% Change
Operating expenses				
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 %
Total operating expenses	$ 3,062	$ 12,211	$ 9,149	299 %

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 $2.6 million, increased stock-based compensation from the phantom unit exchange and equity grants in the ordinary course in the amount of $1.1 million, increases in facility overhead and administrative expenses of $0.4 million and increased costs from lab operations in the amount of $1.1 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 $1.5 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,			
	2020	2021	$ Change	% Change
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,			
	2020	**2019**	**$ Change**	**% Change**
Revenues				
Technology development revenue	$ 4,117	$ 2,044	$ 2,073	101 %
Collaboration revenue	663	16	647	4,044 %
Total revenues	$ 4,780	$ 2,060	$ 2,720	132 %

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,			
	2020	**2019**	**$ Change**	**% Change**
Operating expenses				
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 %
Total operating expenses	$ 18,081	$ 8,325	$ 9,756	117 %

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 $2.7 million, increases in facility overhead and administrative expenses in the amount of $0.5 million, and increased costs from lab operations 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 $1.9 million

and increased professional service fees in the amount of $0.5 million, offset by a reduction in marketing costs of $0.5 million.

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,			
	2020	**2019**	**$ Change**	**% Change**
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 and conversion of the convertible notes issued in March 2021 assuming the sale of shares in this offering at the assumed public offering price of $16.00 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 and conversion of the convertible notes issued in March 2021 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
Numerator:		
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	$ (49,469)	$ (11,957)
Denominator:		
Weighted-average common shares outstanding	15,494,908	16,980,074
Weighted-average redeemable convertible preferred stock	34,560,605	45,574,325
Weighted-average convertible debt	—	1,513,959
Pro forma weighted-average shares outstanding, basic and diluted	50,055,513	64,068,358
Pro forma net loss per share, basic and diluted	$ (0.99)	$ (0.19)

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 Polices 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 $25.4 million based on the assumed initial public offering price of $16.00 per share (the midpoint of the price range set forth on the cover page of this prospectus), of which approximately $0.9 million was related to vested options and approximately $24.5 million was related to unvested options.

The intrinsic value of all outstanding options as of March 31, 2021 was $80.0 million based on the assumed initial public offering price of $16.00 per share (the midpoint of the price range set forth on the cover page of this prospectus), of which approximately $11.9 million was related to vested options and approximately $68.1 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 $1.56 per share, compared to a value of $1.10 per share approved by the board of directors. Our third-party valuation reports estimated a valuation of our common stock of $3.73 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.

Letter from Sean McClain, founder & CEO

Creating new possibilities is at the core of Absci's DNA. We fully embrace my personal mantra: *"believe in the impossible."*

Belief in the impossible can take you many places. Ten years ago, it took me to a 200-square-foot basement lab in Portland, Oregon, which I outfitted with surplus and second-hand equipment. I set out to use the universal code of life - DNA - to program living organisms - specifically *E. coli* bacteria - to make valuable protein products, the same way a software engineer would write a piece of useful code.

Why proteins? Life as we know it depends on the proteins encoded by DNA. Proteins do all the heavy lifting to make life happen. They carry our oxygen, move our bodies, turn light into vision, and spark ideas. Over the last several decades, humans have been harnessing proteins to fight diseases. We've seen remarkable expansion of the protein-based drug landscape. Just a few decades ago, insulin was isolated from pig or cow pancreases to treat patients with diabetes. Now, insulin is routinely and reliably produced in the lab. A wealth of other protein-based drugs have since been generated in labs and deployed to treat diseases ranging from breast cancer to arthritis to COVID-19. These only scratch the surface of the medical potential for proteins as therapeutics. We believe biopharmaceutical pipelines are full of up-and-coming biologics, and the industry has nearly *boundless ideas for new proteins* that have yet to enter clinical development.

To treat patients with these new proteins, we first have to make them, and proteins are tricky to make. The genetic code for translating DNA sequences into proteins - which are intricately folded amino acid chains - has been well understood since the 1960s. That said, the process of actually synthesizing proteins presents challenges. It relies on an evolved set of cellular machinery -- requiring, in essence, "living factories."

Queue *E. coli*. Back when Genentech was still a startup, it achieved the breakthrough of producing human insulin in *E. coli* bacteria. But traditional *E. coli* fell short when it came to making more complex human proteins, and the majority of biologics today, including monoclonal antibodies, rely on mammalian cells - Chinese hamster ovary (CHO) cells - for manufacturing. Mammalian cells are costly to maintain, slow and intractable to engineer, and although they have proven capable of making human antibodies, they are not readily adaptable to making new types of proteins.

While doing undergraduate research in molecular and cellular biology, I asked a fateful question: *what if* I could engineer *E. coli* to make complex mammalian proteins such as monoclonal antibodies? This feat was dismissed as impossible in the 1980s and 1990s, but armed with the molecular biology tools of the 2010s, and driven by my belief in the impossible and a willingness to try hard things and fail, and come back the next day and fail again, I stepped onto the path that has led to the Absci of today.

What *Absci is pioneering* is not just a way to use *E. coli* to make complex proteins. We've reimagined the entire process of biopharmaceutical drug discovery and cell line development. By tackling challenges that others dismiss as impossible, we are pursuing our mission to *change the world, one protein at a time*.

We have built a platform with the potential to create better medicines, faster and more efficiently. We believe we can expand biologic possibilities, generate entirely new types of protein-based drugs, and give the best potential drug designs the opportunity to become therapeutic realities for patients. We believe that by marrying cutting-edge artificial intelligence with synthetic biology, we are stepping beyond the constraints of nature's evolutionary trajectory, opening up a new sequence space for potential proteins, and even adding new letters to the amino acid alphabet to *realize new possibilities* for drug discovery.

This is only the beginning. We envision a future in which we identify novel disease-specific targets and design optimized lead drugs and cell lines to manufacture them all *at the click of a button*. The COVID-19 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 the industry-transforming potential of *in silico drug creation*.

Absci is about more than breakthroughs in biopharmaceuticals—we're going from solving daunting challenges today to applying science, technology, and revolutionary thinking to out-evolve nature, revealing possibilities that would not otherwise exist. *We are forging paths* from *what if* to *what is* and translating *ideas* to *impact* at every step.

I'm grateful to everyone who has been part of our story so far, from those who've been with us as we've outgrown three lab spaces, to those who've more recently taken the leap to join our company and contribute to achieving our shared vision. Our extraordinary employees are the soul of Absci. We refer to ourselves as *unlimiters.* Our team is overflowing with incredibly talented, experienced, passionate people who are united around our mission. Every day we show up and relentlessly invent, run assays, manipulate DNA, load gels, program robots, grow bacteria, screen samples, code models, crunch numbers, purify proteins, manage facilities, file patents, and lead the way to new possibilities.

Thank you to everyone who has been part of our story—everyone whose drive, creativity, and belief in creating the impossible has gotten us to where we are today and will take to where we are going tomorrow. I am so excited for our next chapter.

Sean McClain

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.

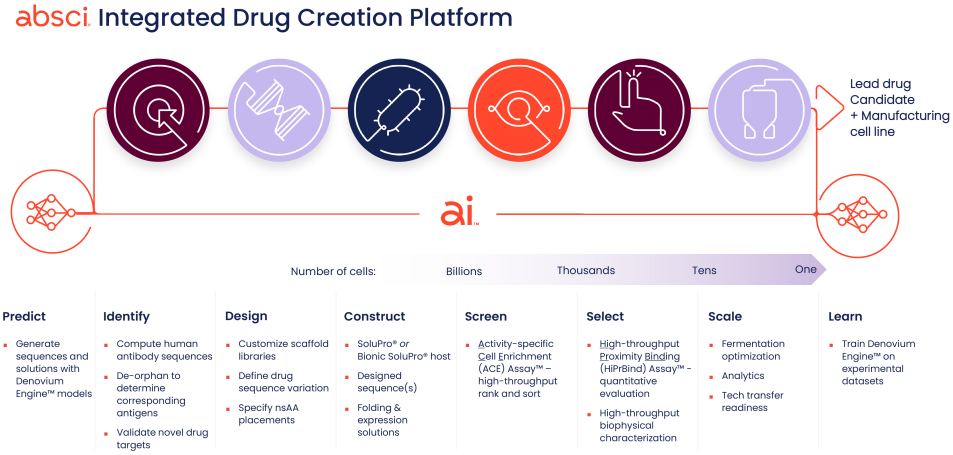
Our Integrated Drug Creation Platform enables novel target identification, and parallel discovery of next-generation biologics and with optimized production cell lines by uniquely incorporating engineered biodiversity, proprietary high-throughput single cell assays, and deep learning AI models. We use 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.

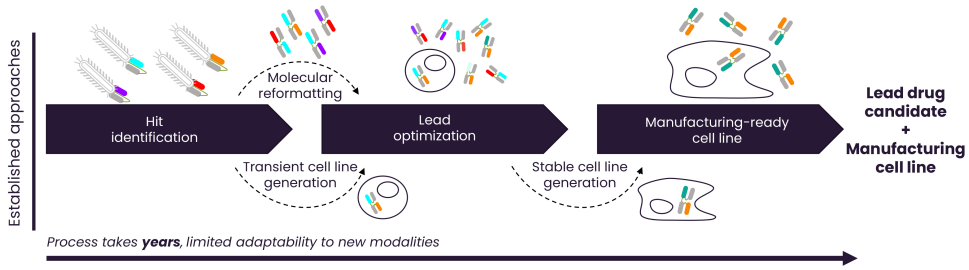
Established methods for biologic drug discovery and cell line development

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

rationally 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.

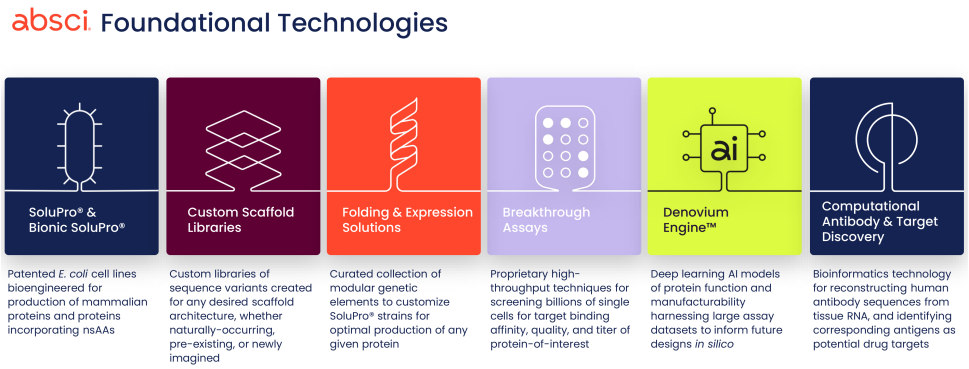
We use our platform to predict, identify, design, construct, screen, select and scale production of biologic drug candidates for our partners, and learn from the data we generate. Our designs are AI-informed and our technology platform is scaffold-agnostic. Our AI leverages deep learning models that 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.



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:

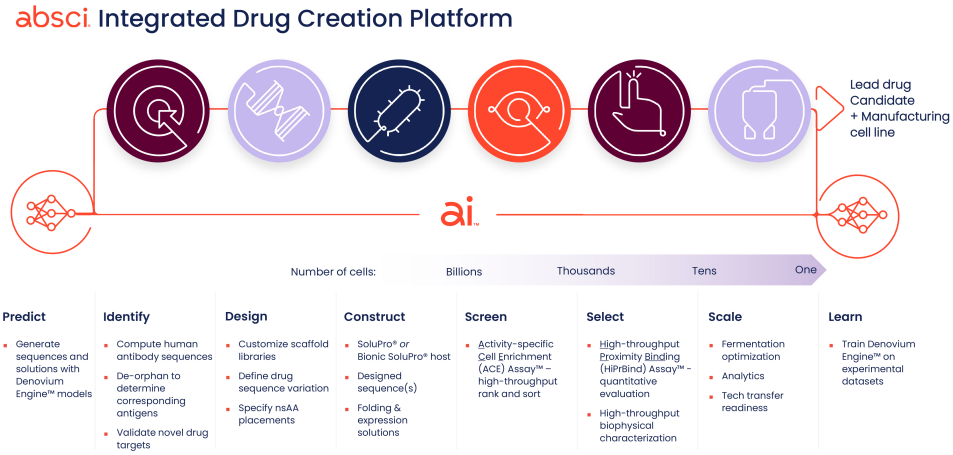
- **Predict:** We expect to use our Denovium Engine AI models to generate non-obvious predictions about what are likely to be optimal drug candidate sequences and cell line designs for any protein-of-interest. The AI combines the collective learnings available in public databases with our own experimental 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*.



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.

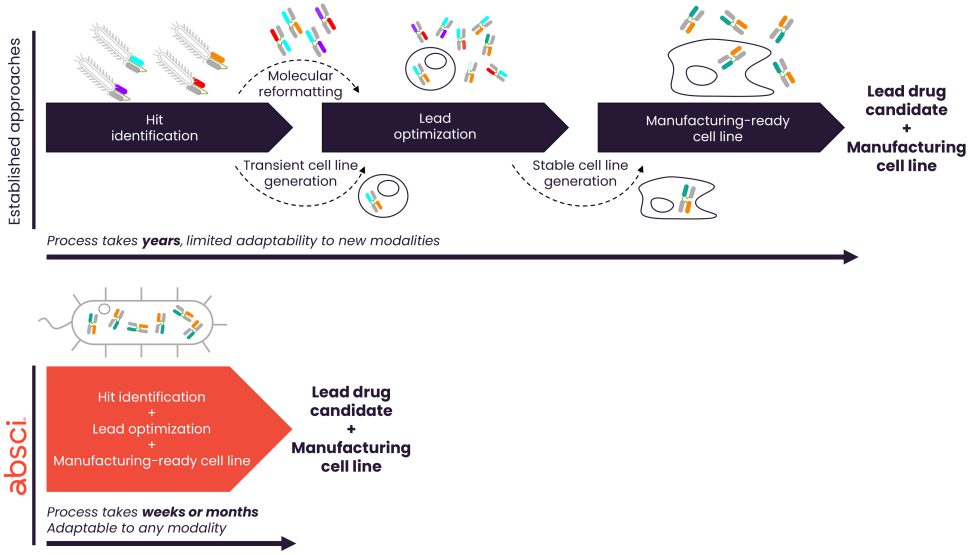
- *Lead optimization* - We may start with drug discovery leads and introduce modifications into the sequences to evaluate variants for improved target affinity, manufacturability, and other pharmacologic characteristics. Thus we can optimize leads that our partners may advance through preclinical development. 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

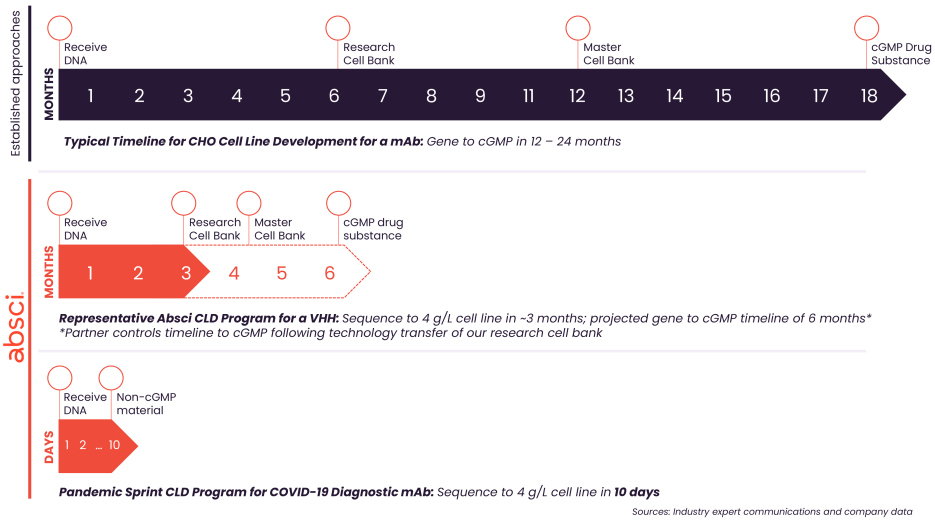
Our platform integrates biologic drug discovery and cell line development processes, accomplishing these activities in parallel rather than sequentially, as illustrated relative to established approaches in the figure below.



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.

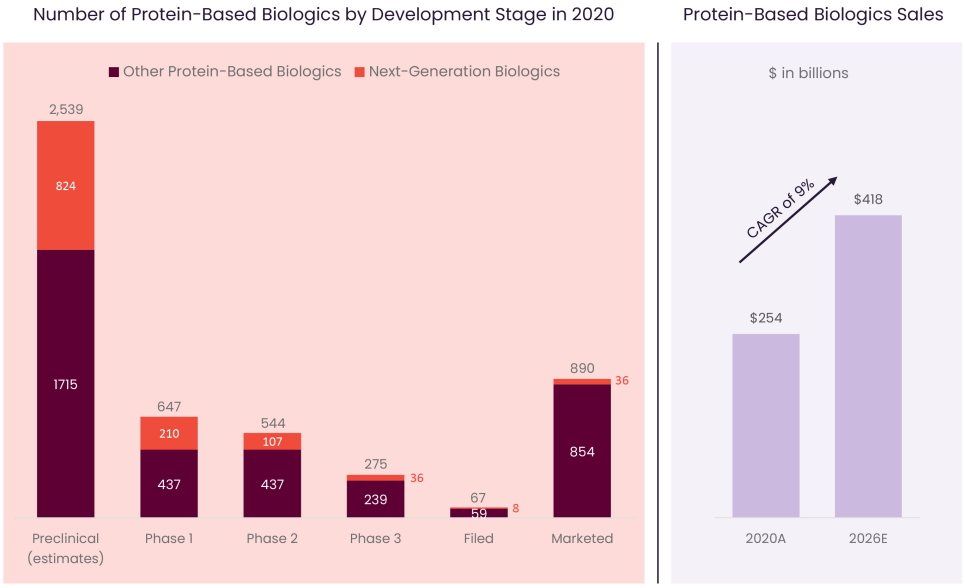
- **Design of better drug candidates based on AI predictions:** We use deep learning artificial intelligence models trained on our proprietary datasets as well as functional characteristics of millions of proteins represented in public databases to design new drug candidates to have desired pharmacologic 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:

	# of Programs	
Biologic Modality	**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
Total	9	31

* 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 Biomedicines, Inc., as well as adjacent technology companies pursuing small molecule design such as Schrodinger, Inc., Recursion Pharmaceuticals, Inc., Relay Therapeutics, Inc., Atomwise Inc., Valo Health, 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 Biologics Limited 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., Adimab LLC, and Alloy Therapeutics, Inc.;
- 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., Zymergen Inc., Geltor, Inc.,

and Bolt Threads, 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 it 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 outsources 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

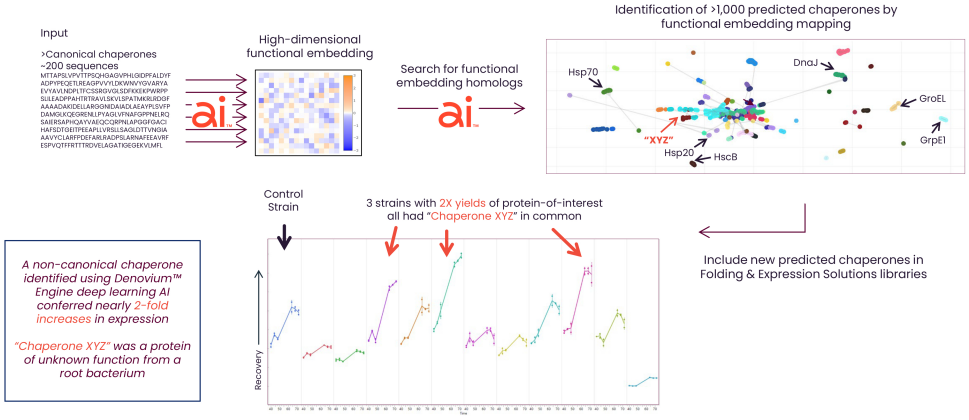
experts. Advanced model architectures and regularization techniques have also demonstrated increasing performance with larger models, contrary to the trends of most other machine learning approaches. This combination of self-improvement and scalability has proved to be transformational for many problems 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).

As evidence of the efficiency of our computational human antibody discovery technology, during the COVID-19 pandemic we obtained mRNA sequencing data from bronchoalveolar lavage fluid or blood samples of patients infected with the SARS-CoV-2 virus that, over the course of three days, we ran through our pipeline in several batches. We were able to reconstruct more than 400 distinct fully human antibody sequences for further testing. Among those, we identified over 15 antibodies that bind to the SARS-CoV-2 spike protein with high affinity, a number of which show potential to neutralize infection. This work was done in collaboration with Ginkgo Bioworks. We believe sample collection, mRNA extraction, library preparation, and sequencing steps can each be accomplished in one day with standard procedures, and our bioinformatics pipeline analysis of the sequencing data adds an additional approximate day to the timeline. We believe this is a potentially powerful approach to enable rapid response to emerging infectious diseases through efficient identification of antibodies that could be useful for diagnostic and/or therapeutic interventions.

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 *E. coli* 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 June 30, 2021, we have 169 full-time employees of whom 75 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, located at 18105 SE Mill Plain Blvd, Vancouver, Washington, 98683. 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 June 25, 2021.

Name	Age	Position(s)
Executive Officers:		
Sean McClain	31	Chief Executive Officer and Director
Gregory Schiffman	63	Chief Financial Officer
Andreas Pihl[4]	60	Chief Operating Officer and Director
Matthew Weinstock, Ph.D.	35	Chief Technology Officer
Sarah Korman, Ph.D., J.D.	42	General Counsel
Nikhil Goel	41	Chief Business Officer
Other Non-Employee Directors:		
Eli Casdin[1][3]	48	Director
Zachariah Jonasson, Ph.D.[2][3]	49	Director
V. Bryan Lawlis, Ph.D.[4]	69	Director
Ivana Magovcevic-Liebisch, Ph.D., J.D.[2][3]	53	Director
Karen McGinnis, C.P.A.[1]	54	Director
Amrit Nagpal[1]	46	Director

(1) Member of the Audit Committee.
(2) Member of the Compensation Committee.
(3) Member of the Nominating and Corporate Governance Committee.
(4) Each of Mr. Pihl and Dr. Lawlis has announced his intention to resign as a member of our board of directors upon the effectiveness of the registration statement of which this prospectus forms a part.

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.

Nikhil Goel. Mr. Goel has served as our Chief Business Officer since June 2021. He previously served as a Director in the mergers and acquisitions group at Credit Suisse from January 2019 to June 2021, and as a Vice President in the mergers and acquisitions group at Credit Suisse from December 2015 to December 2018. Mr. Goel holds a Master's in Business Administration from the University of Virginia, a Master's of Science in computer science from Georgia Institute of Technology and a Bachelor of Technology in computer science from the Indian Institute of Technology, Varanasi.

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 Seaflower 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 Zachariah Jonasson and Karen McGinnis.
- Our Class II directors will be Ivana Magovcevic-Liebisch and Eli Casdin.
- Our Class III directors will be Sean McClain and Amrit Nagpal.

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, Karen McGinnis, Eli Casdin and Amrit Nagpal will serve on the audit committee, which will be chaired by Ms. McGinnis. Our board of directors has determined that each of Ms. McGinnis and Messrs. Casdin and Nagpal 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 Ms. McGinnis 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.

Under applicable Nasdaq rules, we are permitted to phase-in our compliance with the independence requirements for our audit committee. The phase-in periods with respect to director independence allow us to have only one independent member on our audit committee upon the listing date of our common stock, a majority of independent members on our audit committee within 90 days of the listing date and a fully independent audit committee within one year of the listing date.

Compensation Committee

Effective upon the effectiveness of the registration statement of which this prospectus is a part, Ivana Magovcevic-Liebisch and Zachariah Jonasson will serve on the compensation committee, which will be chaired by Dr. Magovcevic-Liebisch. 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, Zachariah Jonasson, Ivana Magovcevic-Liebisch and Eli Casdin will serve on the nominating and corporate governance committee, which will be chaired by Dr. Jonasson. 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($)	Bonus($)[1]	Stock Awards[2]	Option Awards($)[3]	All Other[4]	Total
Sean McClain	2020	260,000	125,000	743,752	26,727	25,405	1,180,884
Founder and Chief Executive Officer							
Gregory Schiffman [5]	2020	184,999	100,000	670,610	209,202	10,667	1,175,478
Chief Financial Officer							
Andreas Pihl [6]	2020	100,750	75,000	909,155	246,945	7,000	1,338,850
Chief Operating Officer							

(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

In connection with this offering, we have entered into new employment agreements with each of our named executive officers, which shall supersede each such named executive officer's existing at-will offer letter, if any, effective upon the consummation of this offering. Each employment agreement sets forth such executive officer's base salary, target bonus opportunity, and eligibility to participate in our benefit plans generally. Each of our named executive officers is also subject to a confidentiality, assignment, nonsolicitation and noncompetition agreement.

Employment Agreements to be Entered into in Connection with our Initial Public Offering

Sean McClain

In connection with this offering, we have entered into an employment agreement with Mr. McClain, who currently serves as our Chief Executive Officer. The employment agreement provides for an annual base salary of $600,000, an annual target bonus equal to 60% of Mr. McClain's annual base salary and eligibility to participate in our benefit plans generally. The employment agreement also provides that, while public, the Company will cause Mr. McClain to be nominated for election to our board of directors and to be recommended to our stockholders for election to our board of directors so long as Mr. McClain serves as our Chief Executive Officer. The equity awards previously held by Mr. McClain continue to be governed by the terms and conditions of the Company's applicable equity incentive plan(s) and the applicable award agreement(s). Mr. McClain shall also be entitled to reimbursement for all reasonable business expenses incurred during the term of his employment, in accordance with the policies and procedures then in effect and established by the Company for its executive officers.

Under Mr. McClain's new employment agreement, in the event that Mr. McClain's employment is terminated by us without "cause" and does not result from Mr. McClain's death or disability, or Mr. McClain resigns for "good reason" (as such terms are defined in the employment agreement) under the circumstances and conditions specified in his employment agreement, subject to the execution and effectiveness of a separation agreement, including a general release of claims in our favor and, in the Company's sole discretion, a one-year post-employment confidentiality and proprietary rights agreement, he will be entitled to receive (i) an amount equal to 12 months of his base salary, payable in substantially equal installments over 12 months following his termination and (ii) if Mr. McClain is participating in our group health plans immediately prior to his termination and elects COBRA health continuation, continuation of the monthly employer contribution that the Company would have made to provide health insurance to Mr. McClain if he remained an active employee, until the earliest of (A) the 12 month anniversary of his termination; (B) his eligibility for group

medical plan benefits under any other employer's group medical plan; or (C) the cessation of his continuation rights under COBRA. The employment agreement also provides that, in lieu of the payments and benefits described above, in the event that Mr. McClain's employment is terminated by us without cause or Mr. McClain's resigns for good reason, in either case within 12 months after the occurrence of the first event constituting a "change in control" (as defined in the employment agreement and, such period, the "change in control period"), subject to the execution and effectiveness of a general release of claims in our favor, he will be entitled to receive (i) a lump sum cash payment equal to 18 months of his then-current base salary (or his base salary in effect immediately prior to the change in control, if higher) plus 1.5 times his annual target bonus for the then-current year (or the annual target bonus in effect immediately prior to the change in control, if higher), and (ii) if Mr. McClain is participating in our group health plans immediately prior to his termination and elects COBRA health continuation, continuation of the monthly employer contribution that the Company would have made to provide health insurance to Mr. McClain if he remained an active employee, until the earliest of (A) the 18-month anniversary of his termination; (B) his eligibility for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of his continuation rights under COBRA.

The employment agreement also provides that, to the extent the equity awards granted to and held by Mr. McClain prior to this offering are subject to single trigger accelerated vesting, such awards will fully vest and become immediately exercisable upon a "change in control" (as such term is defined in the original award agreements). With respect to any of Mr. McClain's equity awards that are not subject to single trigger vesting acceleration, in the event Mr. McClain's employment is terminated by us without cause or Mr. McClain resigns for good reason, in either case within the change in control period, then any outstanding equity awards subject solely to time-based vesting shall immediately accelerate and become fully vested and exercisable or nonforfeitable on the date of termination.

Gregory Schiffman

In connection with this offering, we have entered into an employment agreement with Mr. Schiffman, who currently serves as our Chief Financial Officer. The employment agreement provides for an annual base salary of $450,000, an annual target bonus equal to 45% of Mr. Schiffman's annual base salary and eligibility to participate in our benefit plans generally. The equity awards previously held by Mr. Schiffman continue to be governed by the terms and conditions of the Company's applicable equity incentive plan(s) and the applicable award agreement(s). Mr. Schiffman shall also be entitled to reimbursement for all reasonable business expenses incurred during the term of his employment, in accordance with the policies and procedures then in effect and established by the Company for its executive officers.

Under Mr. Schiffman's new employment agreement, in the event that Mr. Schiffman's employment is terminated by us without "cause" and does not result from Mr, Schiffman's death or disability, or Mr. Schiffman resigns for "good reason" (as such terms are defined in the employment agreement) under the circumstances and conditions specified in his employment agreement, subject to the execution and effectiveness of a separation agreement, including a general release of claims in our favor and, in the Company's sole discretion, a one-year post-employment confidentiality and proprietary rights agreement, he will be entitled to receive (i) an amount equal to nine months of his base salary, payable in substantially equal installments over nine months following his termination, and (ii) if Mr. Schiffman is participating in our group health plans immediately prior to his termination and elects COBRA health continuation, continuation of the monthly employer contribution that the Company would have made to provide health insurance to Mr. Schiffman if he remained an active employee, until the earliest of (A) the 9 month anniversary of his termination; (B) his eligibility for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of his continuation rights under COBRA. The employment agreement also provides that, in lieu of the payments and benefits described above, in the event that Mr. Schiffman's employment is terminated by us without cause or Mr. Schiffman's resigns for good reason, in either

case within the change in control period, subject to the execution and effectiveness of a general release of claims in our favor, he will be entitled to receive (i) a lump sum cash payment equal to 12 months of his then-current base salary (or his base salary in effect immediately prior to the change in control, if higher) plus one times his annual target bonus for the then-current year (or the annual target bonus in effect immediately prior to the change in control, if higher), and (ii) if Mr. Schiffman is participating in our group health plans immediately prior to his termination and elects COBRA health continuation, continuation of the monthly employer contribution that the Company would have made to provide health insurance to Mr. Schiffman if he remained an active employee, until the earliest of (A) the 12 month anniversary of his termination; (B) his eligibility for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of his continuation rights under COBRA.

The employment agreement also provides that, to the extent the equity awards granted to and held by Mr. Schiffman prior to this offering are subject to single trigger accelerated vesting, such awards will fully vest and become immediately exercisable upon a "change in control" (as such term is defined in the original award agreements). With respect to any of Mr. Schiffman's equity awards that are not subject to single trigger vesting acceleration, in the event Mr. Schiffman's employment is terminated by us without cause or Mr. Schiffman resigns for good reason, in either case within the change in control period, then any outstanding equity awards subject solely to time-based vesting shall immediately accelerate and become fully vested and exercisable or nonforfeitable on the date of termination.

Andreas Pihl

In connection with this offering, we have entered into an employment agreement with Mr. Pihl, who currently serves as our Chief Operating Officer. The employment agreement provides for an annual base salary of $410,000, an annual target bonus equal to 40% of Mr. Pihl's annual base salary and eligibility to participate in our benefit plans generally. The equity awards previously held by Mr. Pihl continue to be governed by the terms and conditions of the Company's applicable equity incentive plan(s) and the applicable award agreement(s). Mr. Pihl shall also be entitled to reimbursement for all reasonable business expenses incurred during the term of his employment, in accordance with the policies and procedures then in effect and established by the Company for its executive officers.

Under Mr. Pihl's new employment agreement, in the event that Mr. Pihl's employment is terminated by us without "cause" and does not result from Mr, Pihl's death or disability, or Mr. Pihl resigns for "good reason" (as such terms are defined in the employment agreement) under the circumstances and conditions specified in his employment agreement, subject to the execution and effectiveness of a separation agreement, including a general release of claims in our favor and, in the Company's sole discretion, a one-year post-employment confidentiality and proprietary rights agreement, he will be entitled to receive (i) an amount equal to nine months of his base salary, payable in substantially equal installments over nine months following his termination, and (ii) if Mr. Pihl is participating in our group health plans immediately prior to his termination and elects COBRA health continuation, continuation of the monthly employer contribution that the Company would have made to provide health insurance to Mr. Pihl if he remained an active employee, until the earliest of (A) the 9 month anniversary of his termination; (B) his eligibility for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of his continuation rights under COBRA. The employment agreement also provides that, in lieu of the payments and benefits described above, in the event that Mr. Pihl's employment is terminated by us without cause or Mr. Pihl's resigns for good reason, in either case within 12 months after the occurrence of the first event constituting a "change in control" (as defined in the employment agreement), subject to the execution and effectiveness of a general release of claims in our favor, he will be entitled to receive (i) a lump sum cash payment equal to 12 months of his then-current base salary (or his base salary in effect immediately prior to the change in control, if higher) plus one times his annual target bonus for the then-current year (or the annual target bonus in effect

immediately prior to the change in control, if higher), and (ii) if Mr. Pihl is participating in our group health plans immediately prior to his termination and elects COBRA health continuation, continuation of the monthly employer contribution that the Company would have made to provide health insurance to Mr. Pihl if he remained an active employee, until the earliest of (A) the 12 month anniversary of his termination; (B) his eligibility for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of his continuation rights under COBRA.

The employment agreement also provides that, to the extent the equity awards granted to and held by Mr. Pihl prior to this offering are subject to single trigger accelerated vesting, such awards will fully vest and become immediately exercisable upon a "change in control" (as such term is defined in the original award agreements). With respect to any of Mr. Pihl's equity awards that are not subject to single trigger vesting acceleration, in the event Mr. Pihl's employment is terminated by us without cause or Mr. Pihl resigns for good reason, in either case within the change in control period, then any outstanding equity awards subject solely to time-based vesting shall immediately accelerate and become fully vested and exercisable or nonforfeitable on the date of termination.

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[1]						Stock Awards[1]	
Name	Vesting Commencement Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested(#)	Market Value of Shares or Units of Stock That Have Not Vested($)(2)
Sean McClain	4/7/2016	30,375	— [3]	1.10	10/27/2030		
	7/11/2017	3,184	545	1.10	10/27/2030		
	9/13/2017					7,848	$125,571
Gregory Schiffman	4/6/2020	—	252,195	1.10	10/27/2030		
	4/6/2020					555,165	$8,882,644
Andreas Pihl	3/1/2020	19,346	32,245 [5]	1.10	10/27/2030		
	8/1/2020	—	247,987	1.10	10/27/2030		
	4/23/2020					113,564	$1,817,022
	8/17/2020					443,765	$7,100,238

(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 $16.00 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

2021 Stock Option and Incentive Plan

We intend to adopt our 2021 Plan effective upon the date immediately preceding the date on which the registration statement of which this prospectus is part is declared effective by the SEC. The 2021 Plan will replace the AbSci Corporation 2020 Stock Option and Grant Plan. The 2021 Plan

provides flexibility to our compensation committee to use various equity-based incentive awards as compensation tools to motivate our workforce.

We will initially reserve 8,133,750 shares of our common stock for the issuance of awards under the 2021 Plan, or the Initial Limit. The 2021 Plan provides that the number of shares reserved and available for issuance under the 2021 Plan will automatically increase on January 1, 2022 and each January 1 thereafter, by 5% of the outstanding number of shares of our common stock on the immediately preceding December 31, or such lesser number of shares as determined by our compensation committee, or the Annual Increase. The number of shares reserved under the 2021 Plan is subject to adjustment in the event of a stock split, stock dividend or other change in our capitalization.

The shares we issue under the 2021 Plan will be authorized but unissued shares or shares that we reacquire. The shares of common stock underlying any awards under the 2021 Plan that are forfeited, cancelled, held back upon exercise or settlement of an award to satisfy the exercise price or tax withholding, reacquired by us prior to vesting, satisfied without the issuance of stock or are otherwise terminated (other than by exercise) will be added back to the shares of common stock available for issuance under the 2021 Plan.

The maximum aggregate number of shares that may be issued in the form of incentive stock options shall not exceed the Initial Limit, cumulatively increased on January 1, 2022 and on each January 1 thereafter by the lesser of the Annual Increase for such year or 8,133,750 shares of common stock.

The grant date fair value of all awards made under our 2021 Plan and all other cash compensation paid by us to any non-employee director in any calendar year for services as a non-employee director shall not exceed $1,000,000; provided, however, that such amount shall be $1,250,000 for the calendar year in which the applicable non-employee director is initially elected or appointed to the board of directors.

The 2021 Plan will be administered by our compensation committee. Our compensation committee has the full power to select, from among the individuals eligible for awards, the individuals to whom awards will be granted and the number of shares subject to such awards, to make any combination of awards to participants, to accelerate at any time the exercisability or vesting of any award, to impose and limitations and/or vesting conditions on award and to determine the specific terms and conditions of each award, subject to the provisions of the 2021 Plan. Persons eligible to participate in the 2021 Plan will be those full or part-time officers, employees, non-employee directors and consultants as selected from time to time by our compensation committee in its discretion.

The 2021 Plan will permits the granting of both options to purchase common stock intended to qualify as incentive stock options under Section 422 of the Code and options that do not so qualify. The option exercise price of each option will be determined by our compensation committee but may generally not be less than 100% of the fair market value of our common stock on the date of grant. The term of each option will be fixed by our compensation committee and may not exceed ten years from the date of grant. Our compensation committee will determine at what time or times each option may be exercised.

Our compensation committee may award stock appreciation rights subject to such conditions and restrictions as it may determine. Stock appreciation rights entitle the recipient to shares of common stock, or cash, equal to the value of the appreciation in our stock price over the exercise price. The exercise price of each stock appreciation right may generally not be less than 100% of the fair market value of our common stock on the date of grant. The term of each stock appreciation right will be fixed by our compensation committee and may not exceed ten years from the date of grant. Our compensation committee will determine at what time or times each stock appreciation right may be exercised.

Our compensation committee may award restricted shares of common stock and restricted stock units to participants subject to such conditions and restrictions as it may determine. These conditions and restrictions may include the achievement of certain performance goals and/or continued employment with us through a specified vesting period. Our compensation committee may also grant shares of common stock that are free from any restrictions under the 2021 Plan. Unrestricted stock may be granted to participants in recognition of past services or for other valid consideration and may be issued in lieu of cash compensation due to such participant.

Our compensation committee may grant dividend equivalent rights to participants that entitle the recipient to receive credits for dividends that would be paid if the recipient had held a specified number of shares of our common stock.

Our compensation committee may grant cash bonuses under the 2021 Plan to participants, subject to the achievement of certain performance goals.

The 2021 Plan provides that upon the effectiveness of a "sale event," as defined in the 2021 Plan, an acquirer or successor entity may assume, continue or substitute outstanding awards under the 2021 Plan. To the extent that awards granted under the 2021 Plan are not assumed or continued or substituted by the successor entity, upon the effective time of the sale event, such awards shall terminate. In such case, except as may be otherwise provided in the relevant award certificate, all stock options and stock appreciation rights with time-based vesting, conditions or restrictions that are not vested and/or exercisable immediately prior to the effective time of the sale event shall become fully vested and exercisable as of the effective time of the sale event, all other awards with time-based vesting conditions or restrictions shall become fully vested and nonforfeitable as of the effective time of the sale event, and all awards with conditions and restrictions relating to the attainment of performance goals may become vested and nonforfeitable in connection with a sale event in the administrator's discretion or to the extent specified in the relevant award certificate. In the event of such termination, individuals holding options and stock appreciation rights will, for each such award, either (i) receive a payment in cash or in kind for each share subject to such award that is exercisable in an amount equal to the per share cash consideration payable to stockholders in the sale event less the applicable per share exercise price (provided that, in the case of an option or stock appreciation right with an exercise price equal to or greater than the per share cash consideration payable to stockholders in the sale event, such option or stock appreciation right shall be cancelled for no consideration) or (ii) be permitted to exercise such options and stock appreciation rights (to the extent exercisable) within a specified period of time prior to the sale event. The plan administrator shall also have the option (in its sole discretion) to make or provide for a payment, in cash or in kind, to the grantees holding other awards in an amount equal to the per share cash consideration payable to stockholders in the sale event multiplied by the number of vested shares under such awards. To the extent that the parties to the sale event provide for the assumption, continuation or substitution of awards, and in the event a grantee's service relationship is terminated by without cause or for good reason, within 12 months period following the sale event, any such awards shall become fully vested, exercisable and nonforfeitable as of the date of such termination.

The 2021 Plan generally does not allow for the transfer or assignment of awards, other than by will or by the laws of descent and distribution or pursuant to a domestic relations order; however, the plan administrator may permit the transfer of non-qualified stock options by gift to an immediate family member, to trusts for the benefit of family members, or to partnerships in which such family members are the only partners.

Our board of directors may amend or discontinue the 2021 Plan and our compensation committee may amend or cancel outstanding awards for purposes of satisfying changes in law or any other lawful purpose but no such action may adversely affect rights under an award without the holder's consent. Certain amendments to the 2021 Plan require the approval of our stockholders. The administrator of the 2021 Plan is specifically authorized to exercise its discretion to reduce the

exercise price of outstanding stock options and stock appreciation rights or effect the repricing of such awards through cancellation and re-grants without stockholder consent. No awards may be granted under the 2021 Plan after the date that is ten years from the effective date of the 2021 Plan. No awards under the 2021 Plan will have been made prior to the date of this prospectus.

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 10,724,851 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. Following this offering, such shares will be added to the shares of common stock available for issuance under the 2021 Plan.

Our board of directors has acted as administrator of the 2020 Plan. The administrator has full power to, among other things, 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 July 12, 2021, options to purchase 7,953,906 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.

2021 Employee Stock Purchase Plan

We intend to adopt the 2021 Employee Stock Purchase Plan, or 2021 ESPP, effective on the date immediately preceding the date on which the registration statement of which this prospectus is part is declared effective by the SEC. The 2021 ESPP is intended to qualify as an "employee stock purchase plan" within the meaning of Section 423 of the Code. The 2021 ESPP initially reserves and authorizes the issuance of up to a total of 903,750 shares of common stock to participating employees. The 2021 ESPP provides that the number of shares reserved and available for issuance will automatically increase on January 1, 2022 and each January 1 thereafter through January 1, 2031, by the least of (i) 1,807,500 shares of common stock, (ii) 1% of the outstanding number of shares of our common stock on the immediately preceding December 31 or (iii) such lesser number of shares of common stock as determined by the administrator of the 2021 ESPP. The number of shares reserved under the 2021 ESPP will be subject to adjustment in the event of a stock split, stock dividend or other change in our capitalization.

All employees employed as of the first day of an offering whose customary employment is for more than 20 hours per week (or such lesser number of hours per week) and who have completed such minimum period of employment as of the first day of an offering period as determined by the administrator of the 2021 ESPP (not to exceed two years) will be eligible to participate in the ESPP. However, any employee who owns 5% or more of the total combined voting power or value of all classes of stock will not be eligible to purchase shares under the 2021 ESPP.

We may make one or more offerings each year to our employees to purchase shares under the ESPP, referred to as offering periods. Each eligible employee will be able to elect to participate in any offering by submitting an enrollment form at least 15 business days before the relevant offering date. Offerings shall begin and end on such dates as the administrator shall determine, provided that no offering period shall exceed 27 months in duration or overlap with any other offering period.

Each employee who is a participant in the 2021 ESPP will be able to purchase shares by authorizing payroll deductions of up to 15% of his or her eligible compensation during an offering period (or such other percentage specified by the administrator in advance of an offering period). Unless the participating employee has previously withdrawn from the offering, his or her accumulated payroll deductions will be used to purchase shares of common stock on the last business day of the offering period at a price equal to 85% of the fair market value of the shares on the first business day or the last business day of the offering period, whichever is lower, provided that no more than a number of shares of common stock determined by dividing $25,000 by the fair market value of the common stock on the first day of the offering may be purchased by any one employee during any offering

period. Under applicable tax rules, an employee may purchase no more than $25,000 worth of shares of common stock, valued at the start of the purchase period, under the ESPP in any calendar year.

The accumulated payroll deductions of any employee who is not a participant on the last day of an offering period will be refunded. An employee's rights under the 2021 ESPP will terminate upon voluntary withdrawal from the plan or when the employee ceases employment with us for any reason.

The 2021 ESPP may be terminated or amended by our board of directors at any time. An amendment that increases the number of shares of common stock authorized under the 2021 ESPP and certain other amendments will require the approval of our stockholders.

Senior Executive Cash Incentive Bonus Plan

Prior to the effectiveness of the registration statement of which this prospectus forms a part, our board of directors intends to adopt the Senior Executive Cash Incentive Bonus Plan, or the Bonus Plan. The Bonus Plan provides for annual cash bonus payments based upon company and individual performance targets established by our compensation committee. The payment targets will be related to financial and operational measures or objectives with respect to our company, or the Corporate Performance Goals, as well as individual performance objectives.

Our compensation committee may select Corporate Performance Goals from among the following: research and development, publication, clinical and/or regulatory milestones; cash flow (including, but not limited to, operating cash flow and free cash flow); revenue; corporate revenue; earnings before interest, taxes, depreciation and amortization; net income (loss) (either before or after interest, taxes, depreciation and/or amortization); changes in the market price of our common stock; economic value-added; acquisitions or strategic transactions, including collaborations, joint ventures or promotion arrangements; operating income (loss); return on capital, assets, equity, or investment; stockholder returns; return on sales; gross or net profit levels; productivity; expense efficiency; margins; operating efficiency; customer satisfaction; working capital; earnings (loss) per share of our common stock; bookings, new bookings or renewals; sales or market shares; number of customers, number of new customers or customer references; operating income and/or net annual recurring revenue, or any other performance goal as selected by the compensation committee, any of which may be measured in absolute terms, as compared to any incremental increase, in terms of growth, or as compared to results of a peer group, against the market as a whole, compared to applicable market indices and/or measured on a pre-tax or post-tax basis.

Each executive officer who is selected to participate in the Bonus Plan will have a target bonus opportunity set for each performance period. The bonus formulas will be adopted in each performance period by the compensation committee and communicated to each executive. The Corporate Performance Goals will be measured at the end of each performance period after our financial reports have been published or such other appropriate time as the compensation committee determines. If the corporate performance goals and individual performance objectives are met, payments will be made as soon as practicable following the end of each performance period, but not later than 74 days after the end of the fiscal year in which such performance period ends. Subject to the rights contained in any agreement between the executive officer and us, an executive officer shall be required to be employed by us on the bonus payment date to be eligible to receive a bonus payment. The Bonus Plan will also permit the compensation committee to approve additional bonuses to executive officers in its sole discretion.

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 ($)[1]	Total ($)[2]
Eli Casdin	—	—
Zachariah Jonasson	—	—
V. Bryan Lawlis	30,000	30,000
Ivana Magovcevic-Liebisch	16,667	16,667
Gustavo Mahler[3]	—	—
Karen McGinnis	16,667	16,667
Amrit Nagpal	—	—
Dan Gold[4]	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 147,020 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 147,020 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 completion of this offering and is designed to enable us to attract and retain, on a long-term basis, highly qualified non-employee directors. Under the policy, each director who is not an employee will be paid cash compensation from and after the completion of this offering, as set forth below:

	Annual Retainer
Board of Directors:	
Members	$ 40,000
Additional retainer for non-executive chair	$ 35,000
Audit Committee:	
Members (other than chair)	$ 10,000
Retainer for chair	$ 20,000
Compensation Committee:	
Members (other than chair)	$ 7,500

Retainer for chair	$	15,000
Nominating and Corporate Governance Committee:		
Members (other than chair)	$	5,000
Retainer for chair	$	10,000

In addition, the non-employee director compensation policy will provide that, upon initial election to our board of directors, each non-employee director will be granted an option to purchase 45,180 shares of our common stock ("Initial Grant"). The Initial Grant will vest in 36 equal monthly installments following the applicable vesting commencement date, subject to continued service as a director through the applicable vesting date. Furthermore, on the date of each annual meeting of stockholders following the completion of this offering, each non-employee director who continues as a non-employee director following such meeting will be granted an annual option to purchase 22,590 shares of our common stock ("Annual Grant"). The Annual Grant will vest in full on the earlier of (i) the first anniversary of the grant date or (ii) our next annual meeting of stockholders, subject to continued service as a director through the applicable vesting date. Such awards are subject to full accelerated vesting upon a sale of the company.

We will reimburse all reasonable out-of-pocket expenses incurred by non-employee directors in attending meetings of the board of directors and committees thereof.

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
Total	**2,677,497**	**$**	**51,124,688**

(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.

Name of Investor	Aggregate Principal Amount of Convertible Notes Purchased
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 June 30, 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 before the offering in the table below is based on 68,142,429 shares of common stock deemed to be outstanding as of June 30, 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. Percentage of beneficial ownership after the offering in the table below gives effect to the conversion of our convertible promissory notes issued in March 2021, assuming an initial public offering price of $16.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and a conversion date of July 26, 2021 (the expected closing date 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 June 30, 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, 18105 SE Mill Plain Blvd, Vancouver, WA 98683.

Name and address of beneficial owner	Common Shares Beneficially Owned		Percentage of Shares Outstanding	
	Before Offering	After Offering	Before Offering	After Offering
5% or Greater Stockholders:				
Phoenix Venture Partners II LP[1]	14,492,813	14,492,813	21.17 %	15.98 %
Entities affiliated with Casdin Capital, LLC[2]	4,209,573	6,156,093	6.18 %	6.81 %
Entities affiliated with Redmile Group, LLC[3]	4,209,573	6,156,094	6.18 %	6.81 %
Mark Valasek	5,535,334	5,535,334	8.12 %	6.12%
Entities and persons affiliated with Souther Investments[4]	4,101,803	4,101,803	6.02 %	4.54%
Named Executive Officers and Directors:				
Sean McClain[5]	8,719,882	8,719,882	12.78 %	9.64 %
Gregory Schiffman[6]	639,230	639,230	*	*
Andreas Pihl[7]	706,478	706,478	1.04 %	*
Eli Casdin[2]	—	—	— %	— %
Zachariah Jonasson, Ph.D.[1]	—	—	— %	— %
V. Bryan Lawlis, Ph.D.[8]	189,015	189,015	*	*
Ivana Magovcevic-Liebisch, Ph.D.[9]	226,642	226,642	*	*
Karen McGinnis, CPA[10]	43,674	43,674	*	*
Amrit Nagpal[3]	—	—	— %	— %
All executive officers and directors as a group (12 persons)[11]	10,732,518	10,732,518	15.62 %	11.80 %

* Represents beneficial ownership of less than one percent.

(1) Consists of (a) 14,185,602 shares of common stock issuable upon the conversion of convertible preferred stock and (b) 307,211 shares of common stock issuable upon the conversion of convertible preferred stock issuable upon the exercise of warrants. 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) 4,209,573 shares of common stock issuable upon the conversion of Series E Preferred Stock held by Casdin Partners Master Fund, L.P. and the number of shares beneficially owned after this offering includes (b) 973,260 shares of common stock issuable upon the conversion of a convertible promissory note held by Casdin Partners Master Fund, L.P. and 973,260 shares of common stock issuable upon the conversion of a convertible promissory note held by Casdin Private Growth Equity Fund, L.P. in connection with the completion of this offering, assuming an initial public offering price of $16.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and a conversion date of July 26, 2021 (the expected closing date of this offering). 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) 4,209,573 shares of common stock issuable upon the conversion of Series E Preferred Stock and the number of shares beneficially owned after this offering includes (b) 1,946,521 shares of common stock issuable upon the conversion of a convertible promissory note in connection with the completion of this offering, assuming an initial public offering price of $16.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and a conversion date of July 26, 2021 (the expected closing date of this offering), 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) 41,288 shares of common stock and 1,936,270 shares of common stock issuable upon the conversion of convertible preferred stock held by David W. Souther, (b) 55,016 shares of common stock issuable upon the conversion of convertible preferred stock held by David Souther IRA, (c) 90,349 shares of common stock issuable upon the conversion of convertible preferred stock held by Connie Souther IRA and (d) 1,978,880 shares of common stock issuable upon the conversion of convertible preferred stock held by Souther Investments, LLC (collectively, 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 88,695 shares of common stock underlying options exercisable within 60 days of June 30, 2021 and 2,269,987 shares of common stock that Sean McClain has transferred to Brittany McClain, which shares are subject to a voting agreement and proxy pursuant which Sean McClain is entitled to vote such shares on all matters presented to our stockholders for approval.

(6) Includes 84,065 shares of common stock underlying options exercisable within 60 days of June 30, 2021.

(7) Includes 98,541 shares of common stock underlying options exercisable within 60 days of June 30, 2021.

(8) Includes 9,466 shares of common stock underlying options exercisable within 60 days of June 30, 2021.

(9) Includes 47,314 shares which are exercisable within 60 days of June 30, 2021.

(10) Consists of 43,674 shares of common stock underlying options exercisable within 60 days of June 30, 2021.

(11) Consists of (i) 10,153,166 shares of common stock and (ii) 579,352 shares of common stock underlying options exercisable within 60 days of June 30, 2021.

Description of Capital Stock

Upon the completion of this offering, our authorized capital stock will consist of 500,000,000 shares of common stock, par value $0.0001 per share, and 10,000,000 shares of preferred stock, par value $0.0001 per share, all of which will be undesignated, and there will be 90,375,022 shares of common stock outstanding, assuming an initial public offering price of $16.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and a conversion date of July 26, 2021 (the expected closing date of this offering) with respect to our convertible promissory notes issued in March 2021, 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, warrants to purchase 307,211 shares of our common stock and options to purchase 7,953,906 shares of our common stock will be outstanding and 9,037,500 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.

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 10,000,000 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 5,305,106 shares of our common stock, with a per share weighted-average exercise price of $1.10 under our 2020 Plan, excluding options exercised subsequent to March 31, 2021, and 3,154,156 shares of our restricted common stock outstanding.

Registration rights

Upon the completion of this offering, the holders of 46,573,467 shares of our common stock 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 Computershare Trust Company, N.A. The transfer agent and registrar's address is 150 Royall Street, Canton, MA 02021.

Listing

We have applied 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

Assuming an initial public offering price of $16.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and a conversion date of July 26, 2021 (the expected closing date of this offering) with respect to our convertible promissory notes issued in March 2021, upon completion of this offering, 90,375,022 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 (excluding any shares sold to our directors, officers and certain employees in our directed share program) 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 903,750 shares immediately after this offering assuming no exercise of the underwriters' option to purchase additional shares, assuming an initial public offering price of $16.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and a conversion date of July 26, 2021 (the expected closing date of this offering) with respect to our convertible promissory notes issued in March 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 46,573,467 shares of our common stock 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 of 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., Cowen and Company, LLC and Stifel, Nicolaus & Company, Incorporated 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	12,500,000

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 1,875,000 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 $3.6 million. 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 $50,000.

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., Cowen and Company, LLC and Stifel, Nicolaus & Company, Incorporated 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., Cowen and Company, LLC and Stifel, Nicolaus & Company, Incorporated, (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. Cowen and Company, LLC and Stifel, Nicolaus & Company, Incorporated 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., Cowen and Company, LLC and Stifel, Nicolaus & Company, Incorporated, 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 have applied 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 us 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. 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. We also maintain a website at 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

Index to Consolidated Financial Statements

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 as of 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. 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. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of its internal control but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

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.

Ernst & Young LLP

We have served as the Company’s auditor since 2021.

Seattle, Washington
May 6, 2021, except for the second paragraph of Note 2, as to which the date is July , 2021.

The foregoing report is in the form that will be signed upon the effectiveness of the forward stock split described in the second paragraph of Note 2 to the consolidated financial statements.

/s/ Ernst & Young LLP

Seattle, Washington
July 15, 2021

ABSCI CORPORATION
CONSOLIDATED BALANCE SHEETS

(In thousands, except for share and units, and per share and per units data)	December 31, 2020	December 31, 2019
ASSETS		
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
TOTAL ASSETS	$ 88,569	$ 19,471
LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND UNITS AND OTHER STOCKHOLDERS' AND MEMBERS' DEFICIT		
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
TOTAL LIABILITIES	21,564	7,867
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	—
OTHER STOCKHOLDERS' AND MEMBERS' DEFICIT		
Common units, no par value, zero and 52,358,729 units authorized as of December 31, 2020 and 2019, respectively; zero and 15,215,724 shares units issued and outstanding as of December 31, 2020 and 2019, respectively	—	2
Common stock, $0.0001 par value; 72,668,200 and zero shares authorized as of December 31, 2020 and 2019, respectively; 17,887,631 and zero shares issued and outstanding as of December 31, 2020 and 2019, respectively	2	—
Additional paid-in capital	635	215
Accumulated deficit	(90,065)	(41,376)
TOTAL OTHER STOCKHOLDERS' AND MEMBERS' DEFICIT	(89,428)	(41,159)
TOTAL LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND UNITS AND OTHER STOCKHOLDERS' AND MEMBERS' DEFICIT	$ 88,569	$ 19,471

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
Revenues		
Technology development revenue[1]	$ 4,117	$ 2,044
Collaboration revenue	663	16
Total revenues	4,780	2,060
Operating expenses		
Research and development	11,448	4,311
Selling, general and administrative	5,502	3,523
Depreciation and amortization	1,131	491
Total operating expenses	18,081	8,325
Operating loss	(13,301)	(6,265)
Other income (expense)		
Interest expense	(634)	(268)
Other expense, net	(418)	(51)
Total other expense, net	(1,052)	(319)
Net loss and comprehensive loss	(14,353)	(6,584)
Adjustment of redeemable preferred units and stock	(34,336)	(17,286)
Cumulative undeclared preferred stock dividends	(780)	—
Net loss applicable to common stockholders and unitholders	$ (49,469)	$ (23,870)
Net loss per share attributable to common stockholders and unitholders:		
Basic and diluted	$ (3.19)	$ (1.57)
Weighted-average common shares and units outstanding:		
Basic and diluted	15,494,908	15,215,747

(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			
Balances - December 31, 2018	8,906,328	$ 25,151	—	$ —	15,215,724	$ 2	—	$ —	$ 173	$ (17,506)	$ (17,331)
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)
Balances - December 31, 2019	9,964,572	52,763	—	—	15,215,724	2	—	—	215	(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	(15,215,724)	(2)	15,215,724	2	—	—	—
Issuance of Class E preferred stock, net of issuance costs	—	—	3,313,519	64,709	—	—	—	—	—	—	—
Issuance of restricted stock	—	—	—	—	—	—	2,671,907	—	—	—	—
Stock-based compensation	—	—	—	—	—	—	—	—	420	—	420
Net loss	—	—	—	—	—	—	—	—	—	(14,353)	(14,353)
Balances - December 31, 2020	—	$ —	13,752,043	$ 156,433	—	$ —	17,887,631	$ 2	$ 635	$ (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
Cash Flows From Operating Activities		
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)
Cash Flows From Investing Activities		
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)
Cash Flows From Financing Activities		
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
Supplemental Disclosure of Cash Flow Information		
Cash paid during the period for interest	$ 508	$ 202
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
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.

Stock split

Prior to the Company's initial public offering of its common stock (IPO), the Company intends to effect a forward stock split of the Company's issued and outstanding common stock at a 3.3031-to-1 ratio. The par value and convertible preferred stock will not be adjusted as a result of the forward stock split. All issued and outstanding common stock, options to purchase common stock and units, and per share and unit amounts contained in the financial statements have been retroactively adjusted to reflect the forward stock split for all periods presented. The financial statements have also been retroactively adjusted to reflect a proportional adjustment to the conversion ratio for each series of preferred stock that will be effected in connection with the forward stock split.

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	2016	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-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):

Years Ending December 31:		
2021	$	903
2022		1,624
2023		1,724
2024 (inclusive of $150 Final Fee)		899
Total Principal, including final fee	$	5,150
Less: amount representing debt discount and issuance costs		106
Total Long-Term Debt	$	5,044

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 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	$ 710	$ 383

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	8,710	4,885
Less: Imputed interest	(1,663)	(644)
Less: Lease incentive	(2,464)	—
Present value of lease liabilities	$ 4,583	$ 4,241

Additional information related to the Company's leases as of December 31, 2020 and 2019 are as follows:

	2020	2019
Weighted average remaining lease term (in years)		
Operating leases	4.9	4.7
Finance leases	3.0	3.8
Weighted average discount rate		
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.

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
Convertible Preferred Stock:					
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
Total convertible preferred stock	13,845,050	13,752,043		$ 99,366	$ 202,861

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 $5.94 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

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
Redeemable Convertible Preferred Units:					
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	10,531,531	9,964,572		$ 30,032	$ 32,945

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.

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	576,998	0.12
Granted	—	—
Vested	(337,900)	0.13
Cancelled/forfeited	(60,925)	0.11
Unvested as of December 31, 2019	178,173	
Granted	1,886,033	0.92
Vested	(208,643)	0.31
Cancelled/forfeited	(221,766)	0.78
Unvested as of LLC Conversion	1,633,797	
Vested as of LLC Conversion	1,695,910	
Outstanding (vested and unvested) of Exchange date	3,329,707	
Exchange of incentive units for restricted shares or units upon the LLC Conversion	(3,329,707)	
Unvested as of December 31, 2020	—	—

Upon the LLC Conversion, the outstanding 3,329,707 incentive units were exchanged for 2,671,907 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 or units is shown below:

	Number of shares
Restricted shares issued in exchange for incentive units at LLC Conversion at October 16, 2020	2,671,907
Previously vested	(1,536,734)
Vested	(23,531)
Unvested as of December 31, 2020	1,111,642

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	787,280	0.21
Granted	195,642	0.38
Vested	(257,559)	0.20
Cancelled/forfeited	(225,733)	0.14
Unvested as of December 31, 2019	499,630	
Granted	1,421,145	0.48
Vested	(262,784)	0.31
Cancelled/forfeited	(455,556)	0.42
Unvested as of December 31, 2020	1,202,435	0.47

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 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 2,182,840 phantom units outstanding as of December 31, 2020 is $2.7 million based on the estimated fair value of common stock of $1.56.

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	1,725,070	$	1.10		
Cancelled/forfeited	(18,731)		1.10		
Outstanding as of December 31, 2020	1,706,339		1.10	5.9	$780
Exercisable as of December 31, 2020	61,100		1.10	5.9	$28
Vested and expected to vest as of December 31, 2020	1,706,339	$	1.10	5.9	$780

The weighted-average grant date fair value of stock options granted during 2020 was $0.83. 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 $1.56 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

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 $1.56 per share, compared to a value of $1.10 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 8,931,572 shares of common stock for issuance under the 2020 Plan, of which, 4,774,498 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.

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
Numerator:		
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	$ (49,469)	$ (23,870)
Denominator:		
Weighted-average common shares and units outstanding	15,494,908	15,215,747
Net loss per share, basic and diluted	$ (3.19)	$ (1.57)

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	45,424,373	32,913,977
Redeemable convertible preferred stock and unit warrants	307,211	307,211
Stock options	1,645,237	—
Unvested restricted stock	1,111,642	—

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

significant components of income tax for the years ended December 31 are as follows (in thousands):

	2020
Current	
Federal	$ —
State	2
Total current	2
Deferred expense/(benefit)	
Federal	—
State	—
Total deferred	—
Total	$ 2

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:

	2020
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	—
Effective tax rate	— %

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

tax purposes. Significant components of the Company's deferred income tax assets and liabilities are as follows at December 31, 2020 (in thousands):

	2020
Deferred tax assets:	
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)
Total deferred tax assets	1,650
Deferred tax liabilities:	
Depreciation	(520)
Right-of-Use Lease	(1,130)
Gross deferred tax liabilities	(1,650)
Deferred tax liabilities, net	$ —

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 1,010,296 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 4,131,362 stock options, with a weighted average exercise price of $1.34 and of which 1,757,057 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)
ASSETS		
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
TOTAL ASSETS	$ 88,569	$ 222,833
LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND UNITS AND OTHER STOCKHOLDERS' AND MEMBERS' DEFICIT		
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
TOTAL LIABILITIES	21,564	159,959
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
OTHER STOCKHOLDERS' AND MEMBERS' DEFICIT		
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 72,668,200 shares authorized as of March 31, 2021 and December 31, 2020, respectively; 19,601,352 and 17,887,631 shares issued and outstanding as of March 31, 2021 and December 31, 2020, respectively	2	2
Additional paid-in capital	635	2,522
Accumulated deficit	(90,065)	(101,027)
TOTAL OTHER STOCKHOLDERS' AND MEMBERS' DEFICIT	(89,428)	(98,503)
TOTAL LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND UNITS AND OTHER STOCKHOLDERS' AND MEMBERS' DEFICIT	$ 88,569	$ 222,833

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

ABSCI CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS (UNAUDITED)

(In thousands, except for share and per share data)	For the Three Months Ended March 31, 2020	2021
Revenues		
Technology development revenue	$ 525	$ 940
Collaboration revenue	47	123
Total revenues	572	1,063
Operating expenses		
Research and development	1,907	7,050
Selling, general and administrative	971	4,685
Depreciation and amortization	184	476
Total operating expenses	3,062	12,211
Operating loss	(2,490)	(11,148)
Other income (expense)		
Interest expense	(98)	(455)
Other income (expense), net	(70)	164
Total other expense, net	(168)	(291)
Loss before income taxes	(2,658)	(11,439)
Income tax benefit	—	477
Net loss and comprehensive loss	(2,658)	(10,962)
Adjustment of redeemable preferred units and stock	(11,154)	—
Cumulative undeclared preferred stock dividends	—	(995)
Net loss applicable to common stockholders and unitholders	$ (13,812)	$ (11,957)
Net loss per share attributable to common stockholders and unitholders: Basic and diluted	$ (0.91)	$ (0.70)
Weighted-average common shares and units outstanding: Basic and diluted	15,215,747	16,980,074

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			
Balances - December 31, 2019	9,964,572	$ 52,763	15,215,724	$ 2	$ 215	$ (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)
Balances - March 31, 2020	10,066,718	$ 64,911	15,215,724	$ 2	$ 223	$ (55,188)	$ (54,963)

(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			
Balances - December 31, 2020	13,752,043	$ 156,433	17,887,631	$ 2	$ 635	$ (90,065)	$ (89,428)
Issuance of Class E preferred stock, net of issuance costs	254,886	4,944	—	—	—	—	—
Issuance of restricted stock	—	—	703,425	—	—	—	—
Stock-based compensation	—	—	—	—	1,519	—	1,519
Issuance of shares in acquisition of Denovium	—	—	1,010,296	—	368	—	368
Net loss	—	—	—	—	—	(10,962)	(10,962)
Balances - March 31, 2021	14,006,929	$ 161,377	19,601,352	$ 2	$ 2,522	$ (101,027)	$ (98,503)

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
Cash Flows From Operating Activities		
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)
Cash Flows From Investing Activities		
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)
Cash Flows From Financing Activities		
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
Supplemental Disclosure of Cash Flow Information		
Cash paid during the period for interest	$ 77	$ 154
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
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.

Stock split

Prior to the Company's initial public offering of its common stock (IPO), the Company intends to effect a forward stock split of the Company's issued and outstanding common stock at a 3.3031-to-1

ratio. The par value and convertible preferred stock will not be adjusted as a result of the forward stock split. All issued and outstanding common stock, options to purchase common stock and units, and per share and unit amounts contained in the financial statements have been retroactively adjusted to reflect the forward stock split for all periods presented. The financial statements have also been retroactively adjusted to reflect a proportional adjustment to the conversion ratio for each series of preferred stock that will be effected in connection with the forward stock split.

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) and amounts held in escrow related to an acquisition (see Note 3).

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	$	3,038

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 1,010,296 shares of its common stock to the Denovium co-founders, of which 80% or 808,238 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 202,058 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):

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 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	—
Total future lease payments	14,588	5,173
Less: Imputed interest	(3,471)	(567)
Less: Lease incentive	(804)	—
Present value of lease liabilities	$ 10,313	$ 4,606

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
Weighted average remaining lease term (in years)		
Operating leases	4.9	6.8
Finance leases	3.0	2.8
Weighted average discount rate		
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.

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
Convertible Preferred Stock:					
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
Total convertible preferred stocks	14,099,936	14,006,929		$ 104,325	$ 217,023

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
Convertible Preferred Stock:					
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
Total convertible preferred stock	13,845,050	13,752,043		$ 99,366	$ 202,861

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 $5.94 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 3,329,707 incentive units were exchanged for 2,671,907 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	1,111,642
Granted	1,511,660
Vested	(56,304)
Unvested as of March 31, 2021	2,566,998

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	1,202,435	$ 0.47
Granted	—	—
Vested	—	—
Exchange of Phantom Units for Cash Payment Rights, SARs, and/or Stock Options	(1,202,435)	0.47
Unvested as of March 31, 2021	—	$ —

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 400,675 SARs outstanding as of March 31, 2021 is $1.5 million based on the estimated fair value of common stock of $3.73.

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	1,706,339	$ 1.10	9.8	$ 780
Granted	3,934,583	1.10		—
Canceled/ Forfeited	(273,203)	1.10		—
Outstanding at March 31, 2021	5,367,719	1.10	9.3	14,105
Exercisable at March 31, 2021	797,031	$ 1.10	9.7	$ 2,094
Vested and expected to vest as of March 31, 2021	5,367,719		9.3	$ 14,105

The weighted-average grant date fair value of stock options granted during the first quarter of 2021 was $1.79. 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 $3.73 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	—%

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 10,724,851 shares of common stock for issuance under the 2020 Plan, of which 1,802,300 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 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 $1.00 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

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
Liabilities:				
Fee in-lieu of warrant	$ —	$ —	$ 55	$ 55
Convertible promissory notes	—	—	125,000	125,000
Preferred stock warrant liability	—	—	1,173	1,173
Total liabilities	$ —	$ —	$ 126,228	$ 126,228

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	33
Change in fair value of preferred stock warrant during three months of 2021	475
Fair value of 2021 Notes at issuance	125,000
Balance at March 31, 2021	$ 126,228

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 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):

	March 31,	
	2020	2021
Numerator:		
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	$ (13,812)	$ (11,957)
Denominator:		
Weighted-average common shares and units outstanding	15,215,747	16,980,074
Net loss per share, basic and diluted	$ (0.91)	$ (0.70)

Restricted common stock and units that are contingently returnable are excluded from the weighted-average common shares and units outstanding calculation.

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):

	March 31,	
	2020	2021
Redeemable convertible preferred stock and units outstanding	33,251,376	45,798,558
Redeemable convertible preferred stock and unit warrants	307,211	307,211
Unvested incentive units	505,833	—
Stock options	—	4,570,687
Unvested restricted stock	—	2,566,998

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 July 15, 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 2,212,208 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 and stock appreciation rights

Subsequent to March 31, 2021 the Company granted 2,763,290 stock options, with a weighted average exercise price of $5.25, and stock appreciation rights to be settled in cash, corresponding to 102,812 shares of our common stock with a weighted-average exercise price of $4.97 per share.

In June 2021, the Company increased the number of shares of common stock reserved for future issuance under the 2020 Stock Option and Grant Plan to 11,980,029.

Increase in authorized shares of common stock

In June 2021, the Company increased the number of authorized shares of common stock to 78,320,000.

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)**
ASSETS			
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
TOTAL ASSETS	$ 2,317	$ 3,103	$ 2,235
LIABILITIES AND STOCKHOLDERS' EQUITY			
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
TOTAL LIABILITIES	10,848	16,374	37,834
Commitments and contingencies (Note 6)			
STOCKHOLDERS' DEFICIT			
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	—
TOTAL STOCKHOLDERS' DEFICIT	(8,531)	(13,271)	(35,599)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 2,317	$ 3,103	$ 2,235

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)	(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	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Deficit
	Shares	Amount	Amount	Amount	Amount	Amount
Balances at December 31, 2019	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)
Balances at March 31, 2020 (unaudited)	10,000,000	$ —	$ 3,922	$ (13,661)	$ (3)	$ (9,742)

	For the Three Months Ended March 31, 2021					
	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Deficit
	Shares	Amount	Amount	Amount	Amount	Amount
Balances at December 31, 2020	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)
Balances at March 31, 2021 (unaudited)	10,001,000	$ —	$ 4,257	$ (39,856)	$ —	$ (35,599)

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	Accumulated Deficit	Accumulated Other Comprehensive	Total Stockholders' Deficit
	Shares	Amount	Amount	Amount	Income (Loss) Amount	Amount
Balances at December 31, 2018	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)
Balances at December 31, 2019	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)
Balances at December 31, 2020	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)**
Cash flows from operating activities				
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)
Cash flows from investing activities				
Purchases of property and equipment	(14)	(76)	(61)	(29)
Net cash used in investing activities	(14)	(76)	(61)	(29)
Cash flows from financing activities				
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.

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 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 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 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.

(In thousands U.S. dollars, except share amounts)

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)

(In thousands U.S. dollars, except share amounts)

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.

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 lessor 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:

Years Ending December 31:		
2021	$	14,152
2022		188
2023		423
Total Long-Term Debt	$	14,763

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

(In thousands U.S. dollars, except share amounts)

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 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:

Years Ended December 31:	
	Maturity Analysis
2021	$ 287
2022	148
2023	68
Total	$ 503

(In thousands U.S. dollars, except share amounts)

Future minimum lease payments under the Company's non-cancelable operating leases as of March 31, 2021 are as follows:

Years Ended December 31 (unaudited):		
		Maturity analysis
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.

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.

(In thousands U.S. dollars, except share amounts)

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

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.

(In thousands U.S. dollars, except share amounts)

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 March 31,
	2019	2020	2021 (unaudited)
Research and development	$ 918	$ 294	$ 1,495
General and administrative	196	71	107
Total	1,114	365	1,602

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 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.

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):

				December 31, 2019
Liability:	**Level 1**	**Level 2**	**Level 3**	**Total**
Convertible promissory notes	$ —	$ —	$ 8,773	$ 8,773
Total liabilities	$ —	$ —	$ 8,773	$ 8,773

	December 31, 2020			
Liability:	**Level 1**	**Level 2**	**Level 3**	**Total**
Convertible promissory notes	$ —	$ —	$ 14,152	$ 14,152
Total liabilities	$ —	$ —	$ 14,152	$ 14,152

	March 31, 2021 (unaudited)			
Liability:	**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.

(In thousands U.S. dollars, except share amounts)

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, 2019	December 31, 2020	March 31, 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 %

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	Year ended December 31, 2020
Domestic	$ (5,739)	$ (5,003)
Foreign	(182)	16
Income/(Loss) before income taxes	$ (5,921)	$ (4,987)

(In thousands U.S. dollars, except share amounts)

Provision (Benefit) for income taxes

The provision (benefit) for income taxes consists of the following:

	Year ended December 31,	
	2019	**2020**
Current:		
Federal	$ —	$ —
State	1	1
Foreign	15	23
Total current	$ 16	$ 24
Deferred:		
Federal	—	—
State	—	—
Foreign	—	—
Total deferred	—	—
Provision (benefit) for income taxes	$ 16	$ 24

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:

	Year ended December 31,	
US Federal provision (benefit)	**2019**	**2020**
Current:		
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
Total	$ 16	$ 24

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,

(In thousands U.S. dollars, except share amounts)

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 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**
Deferred tax assets		
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
Less valuation allowance	(3,037)	(4,413)
Total deferred tax assets	$ 1	$ 1
Deferred tax liabilities		
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.

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 out 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 14, 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 lessor 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.

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.

12,500,000 shares

Common stock

Prospectus

J.P. Morgan	Credit Suisse	BofA Securities	Cowen	Stifel

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.

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	$	26,662
FINRA filing fee		37,157
Nasdaq Global Market listing fee		295,000
Printing and mailing		250,000
Legal fees and expenses		1,480,000
Accounting fees and expenses		1,472,000
Transfer agent and registrar fees and expenses		5,000
Miscellaneous		34,181
Total	$	3,600,000

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 15,215,724 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 3,329,707 incentive units converted on a net issuance basis into 2,671,907 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 2,212,208 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, Stock Appreciation Rights, and Issuances of Restricted Stock

Since April 1, 2018, we granted stock options to purchase 8,422,944 shares of our common stock and and stock appreciation rights to be settled in cash, corresponding to 102,812 shares of our common stock, to our employees, directors and consultants at a weighted average exercise price of $2.53 and $4.97 per share, respectively, under the 2020 Plan. Options for 62,613 shares of common stock were exercised at a weighted average exercise price of $1.10 per share.

We sold an aggregate of 703,421 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
10.13#	Employment Agreement, by and between the Registrant and Sean McClain, to be effective upon the completion of the Registrant's initial public offering
10.14#	Employment Agreement, by and between the Registrant and Gregory Schiffman, to be effective upon the completion of the Registrant's initial public offering
10.15#	Employment Agreement, by and between the Registrant and Andreas Pihl, to be effective upon the completion of the Registrant's initial public offering
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 Auditors
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.
+ Previously filed.

Signatures

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Amendment No. 2 to 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 15th day of July, 2021.

ABSCI CORPORATION

By: /s/ Sean McClain
Sean McClain
Chief Executive Officer and Director

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
/s/ Sean McClain Sean McClain	Chief Executive Officer and Director (Principal Executive Officer)	July 15, 2021
/s/ Gregory Schiffman Gregory Schiffman	Chief Financial Officer (Principal Financial Officer)	July 15, 2021
/s/ Todd Bedrick Todd Bedrick	Vice President, Corporate Controller (Principal Accounting Officer)	July 15, 2021
* Andreas Pihl	Chief Operating Officer and Director	July 15, 2021
* Eli Casdin	Director	July 15, 2021
* Zachariah Jonasson, Ph.D.	Director	July 15, 2021
* V. Bryan Lawlis, Ph.D.	Director	July 15, 2021
* Ivana Magovcevic-Liebisch, Ph.D.	Director	July 15, 2021
* Karen McGinnis, C.P.A.	Director	July 15, 2021
* Amrit Nagpal	Director	July 15, 2021
*By: /s/ Sean McClain Sean McClain, Attorney-in-Fact		July 15, 2021

Exhibit 1.1

ABSCI CORPORATION

[●] Shares of Common Stock

Underwriting Agreement

[●], 2021

J.P. Morgan Securities LLC
Credit Suisse Securities (USA) LLC
BofA Securities, Inc.
Cowen and Company, LLC
Stifel, Nicolaus & Company, Incorporated
As Representatives of
the several Underwriters listed in
Schedule 1 hereto

c/o J.P. Morgan Securities LLC
383 Madison Avenue
New York, NY 10179

c/o Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, NY 10010

c/o BofA Securities, Inc.
One Bryant Park
New York, NY 10036

c/o Cowen and Company, LLC
599 Lexington Avenue, 20th Floor
New York, NY 10022

c/o Stifel, Nicolaus & Company, Incorporated
One Montgomery Street, Suite 3700
San Francisco, CA 94104

Ladies and Gentlemen:

Absci Corporation, a Delaware corporation (the "Company"), proposes to issue and sell to the several underwriters listed in Schedule 1 hereto (the "Underwriters"), for whom you are acting as representatives (the "Representatives"), an aggregate of [●] shares of common stock, par value $0.0001 per share ("Common Stock"), of the Company (the "Underwritten Shares") and, at the option of the Underwriters, up to an additional [●] shares of Common Stock of the Company (the "Option Shares"). The Underwritten Shares and the Option Shares are herein referred to as the "Shares". The shares of Common Stock of the Company to be outstanding after giving effect to the sale of the Shares are referred to herein as the "Stock".

J.P. Morgan Securities LLC (the "Directed Share Underwriter") has agreed to reserve a portion of the Shares to be purchased by it under this Agreement, up to [●] Shares, for sale to the Company's directors, officers, and certain employees and other parties related to the Company (collectively, "Participants"), as set forth in the Prospectus (as hereinafter defined) under the heading

“Underwriting” (the “Directed Share Program”). The Shares to be sold by the Directed Share Underwriter and its affiliates pursuant to the Directed Share Program are referred to hereinafter as the “Directed Shares”. Any Directed Shares not orally confirmed for purchase by any Participant by [ ] [A/P].M., New York City time on the business day on which this Agreement is executed will be offered to the public by the Underwriters as set forth in the Prospectus.

The Company hereby confirms its agreement with the several Underwriters concerning the purchase and sale of the Shares, as follows:

1. Registration Statement. The Company has prepared and filed with the Securities and Exchange Commission (the “Commission”) under the Securities Act of 1933, as amended, and the rules and regulations of the Commission thereunder (collectively, the “Securities Act”), a registration statement (File No. 333-257553), including a prospectus, relating to the Shares. Such registration statement, as amended at the time it became effective, including the information, if any, deemed pursuant to Rule 430A, 430B or 430C under the Securities Act to be part of the registration statement at the time of its effectiveness (“Rule 430 Information”), is referred to herein as the “Registration Statement;” and as used herein, the term “Preliminary Prospectus” means each prospectus included in such registration statement (and any amendments thereto) before effectiveness, any prospectus filed with the Commission pursuant to Rule 424(a) under the Securities Act and the prospectus included in the Registration Statement at the time of its effectiveness that omits Rule 430 Information, and the term “Prospectus” means the prospectus in the form first used (or made available upon request of purchasers pursuant to Rule 173 under the Securities Act) in connection with confirmation of sales of the Shares. If the Company has filed an abbreviated registration statement pursuant to Rule 462(b) under the Securities Act (the “Rule 462 Registration Statement”), then any reference herein to the term “Registration Statement” shall be deemed to include such Rule 462 Registration Statement. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Registration Statement and the Prospectus.

At or prior to the Applicable Time (as defined below), the Company had prepared the following information (collectively with the pricing information set forth on Annex A, the “Pricing Disclosure Package”): a Preliminary Prospectus dated [●], 2021 and each “free-writing prospectus” (as defined pursuant to Rule 405 under the Securities Act) listed on Annex A hereto.

“Applicable Time” means [●] P.M., New York City time, on [●], 2021.

2. Purchase of the Shares.

(a) The Company agrees to issue and sell the Underwritten Shares to the several Underwriters as provided in this underwriting agreement (this “Agreement”), and each Underwriter, on the basis of the representations, warranties and agreements set forth herein and subject to the conditions set forth herein, agrees, severally and not jointly, to purchase at a price per share of $[●] (the “Purchase Price”) from the Company the respective number of Underwritten Shares set forth opposite such Underwriter’s name in Schedule 1 hereto.

In addition, the Company agrees to issue and sell the Option Shares to the several Underwriters as provided in this Agreement, and the Underwriters, on the basis of the representations, warranties and agreements set forth herein and subject to the conditions set forth herein, shall have the option to purchase, severally and not jointly, from the Company the Option Shares at the Purchase Price less an amount per share equal to any dividends or distributions declared by the Company and payable on the Underwritten Shares but not payable on the Option Shares.

If any Option Shares are to be purchased, the number of Option Shares to be purchased by each Underwriter shall be the number of Option Shares which bears the same ratio to the aggregate number of Option Shares being purchased as the number of Underwritten Shares set forth opposite the name of such Underwriter in Schedule 1 hereto (or such number increased as set forth in Section 10 hereof) bears to the aggregate number of Underwritten Shares being purchased from the Company by the several Underwriters, subject, however, to such adjustments to eliminate any fractional Shares as the Representatives in their sole discretion shall make.

The Underwriters may exercise the option to purchase Option Shares at any time in whole, or from time to time in part, on or before the thirtieth day following the date of the Prospectus, by written notice from the Representatives to the Company. Such notice shall set forth the aggregate number of Option Shares as to which the option is being exercised and the date and time when the Option Shares are to be delivered and paid for, which may be the same date and time as the Closing Date (as hereinafter defined) but shall not be earlier than the Closing Date nor later than the tenth full business day (as hereinafter defined) after the date of such notice (unless such time and date are postponed in accordance with the provisions of Section 10 hereof). Any such notice shall be given at least two business days prior to the date and time of delivery specified therein.

(b) The Company understands that the Underwriters intend to make a public offering of the Shares, and initially to offer the Shares on the terms set forth in the Pricing Disclosure Package. The Company acknowledges and agrees that the Underwriters may offer and sell Shares to or through any affiliate of an Underwriter.

(c) Payment for the Shares shall be made by wire transfer in immediately available funds to the account specified by the Company to the Representatives in the case of the Underwritten Shares, at the offices of Latham & Watkins LLP, 140 Scott Drive, Menlo Park, California 94025, at [10:00] A.M. New York City time on [●], 2021, or at such other time or place on the same or such other date, not later than the fifth business day thereafter, as the Representatives and the Company may agree upon in writing or, in the case of the Option Shares, on the date and at the time and place specified by the Representatives in the written notice of the Underwriters' election to purchase such Option Shares. The time and date of such payment for the Underwritten Shares is referred to herein as the "Closing Date," and the time and date for such payment for the Option Shares, if other than the Closing Date, is herein referred to as the "Additional Closing Date."

Payment for the Shares to be purchased on the Closing Date or the Additional Closing Date, as the case may be, shall be made against delivery to the Representatives for the respective accounts of the several Underwriters of the Shares to be purchased on such date or the Additional Closing Date, as the case may be, with any transfer taxes payable in connection with the sale of such Shares duly paid by the Company. Delivery of the Shares shall be made through the facilities of The Depository Trust Company ("DTC") unless the Representatives shall otherwise instruct.

(d) The Company acknowledges and agrees that the Representatives and the other Underwriters are acting solely in the capacity of an arm's length contractual counterparty to the Company with respect to the offering of Shares contemplated hereby (including in connection with determining the terms of the offering) and not as a financial advisor or a fiduciary to, or an agent of, the Company or any other person, and does not constitute a recommendation, investment advice or solicitation of any action by the Underwriters. Additionally, neither the Representatives nor any other Underwriter is advising the Company or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Company shall consult with its own advisors concerning such matters and shall be

responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and neither the Representatives nor the other Underwriters shall have any responsibility or liability to the Company with respect thereto. Any review by the Representatives and the other Underwriters of the Company, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Underwriters and shall not be on behalf of the Company. None of the activities of the Underwriters in connection with the transactions contemplated herein constitutes a recommendation, investment advice or solicitation of any action by the Underwriters with respect to any entity or natural person.

3. Representations and Warranties of the Company. The Company represents and warrants to each Underwriter that:

(a) *Preliminary Prospectus.* No order preventing or suspending the use of any Preliminary Prospectus has been issued by the Commission, and each Preliminary Prospectus included in the Pricing Disclosure Package, at the time of filing thereof, complied in all material respects with the Securities Act, and no Preliminary Prospectus, at the time of filing thereof, contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in any Preliminary Prospectus, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 7(b) hereof.

(b) *Pricing Disclosure Package*. The Pricing Disclosure Package as of the Applicable Time did not, and as of the Closing Date and as of the Additional Closing Date, as the case may be, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in such Pricing Disclosure Package, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 7(b) hereof. No statement of material fact included in the Prospectus has been omitted from the Pricing Disclosure Package and no statement of material fact included in the Pricing Disclosure Package that is required to be included in the Prospectus has been omitted therefrom.

(c) *Issuer Free Writing Prospectus.* Other than the Registration Statement, the Preliminary Prospectus and the Prospectus, the Company (including its agents and representatives, other than the Underwriters in their capacity as such) has not prepared, made, used, authorized, approved or referred to and will not prepare, make, use, authorize, approve or refer to any "written communication" (as defined in Rule 405 under the Securities Act) that constitutes an offer to sell or solicitation of an offer to buy the Shares (each such communication by the Company or its agents and representatives (other than a communication referred to in clause (i) below) an "Issuer Free Writing Prospectus") other than (i) any document not constituting a prospectus pursuant to Section 2(a)(10)(a) of the Securities Act or Rule 134 under the Securities Act or (ii) the documents listed on Annex A hereto, each electronic road show and

any other written communications approved in writing in advance by the Representatives. Each such Issuer Free Writing Prospectus complies in all material respects with the Securities Act, has been or will be (within the time period specified in Rule 433) filed in accordance with the Securities Act (to the extent required thereby) and does not conflict with the information contained in the Registration Statement or the Pricing Disclosure Package, and, when taken together with all other Issuer Free Writing Prospectuses and the Preliminary Prospectus accompanying, or delivered prior to delivery of, such Issuer Free Writing Prospectus, did not, and as of the Closing Date and as of the Additional Closing Date, as the case may be, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty with respect to any statements or omissions made in each such Issuer Free Writing Prospectus or Preliminary Prospectus in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in such Issuer Free Writing Prospectus or Preliminary Prospectus, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 7(b) hereof.

(d) *Emerging Growth Company*. From the time of initial confidential submission of the Registration Statement to the Commission (or, if earlier, the first date on which the Company engaged directly or through any person authorized to act on its behalf in any Testing-the-Waters Communication (as defined below) through the date hereof, the Company has been and is an "emerging growth company," as defined in Section 2(a) of the Securities Act (an "Emerging Growth Company"). "Testing-the-Waters Communication" means any oral or written communication with potential investors undertaken in reliance on either Section 5(d) of, or Rule 163B under, the Securities Act.

(e) *Testing-the-Waters Materials.* The Company (i) has not alone engaged in any Testing-the-Waters Communications other than Testing-the-Waters Communications with the consent of the Representatives (x) with entities that are qualified institutional buyers ("QIBs") within the meaning of Rule 144A under the Securities Act or institutions that are accredited investors within the meaning of Rule 501(a)(1), (a)(2), (a)(3), (a)(7), (a)(8), (a)(9) or (a)(12) under the Securities Act ("IAIs") and otherwise in compliance with the requirements of Section 5(d) of the Securities Act or (y) with entities that the Company reasonably believed to be QIBs or IAIs and otherwise in compliance with the requirements of Rule 163B under the Securities Act and (ii) has not authorized anyone other than the Representatives to engage in Testing-the-Waters Communications. The Company reconfirms that the Representatives have been authorized to act on its behalf in undertaking Testing-the-Waters Communications by virtue of a writing substantially in the form of Exhibit A hereto. The Company has not distributed or approved for distribution any Written Testing-the-Waters Communications other than those listed on Annex B hereto. "Written Testing-the-Waters Communication" means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Securities Act. Any individual Written Testing-the-Waters Communication does not conflict with the information contained in the Registration Statement or the Pricing Disclosure Package, complied in all material respects with the Securities Act, and when taken together with the Pricing Disclosure Package as of the Applicable Time, did not, and as of the Closing Date and as of the Additional Closing Date, as the case may be, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) *Registration Statement and Prospectus.* The Registration Statement has been declared effective by the Commission. No order suspending the effectiveness of the Registration Statement has been issued by the Commission, and no proceeding for that purpose or pursuant to Section 8A of the Securities Act against the Company or related to the offering of the Shares has been initiated or, to the knowledge of the Company, threatened by the Commission; as of the applicable effective date of the Registration Statement and any post-effective amendment thereto, the Registration Statement and any such post-effective amendment complied and will comply in all material respects with the applicable requirements of the Securities Act, and did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading; and as of the date of the Prospectus and any amendment or supplement thereto and as of the Closing Date and as of the Additional Closing Date, as the case may be, the Prospectus will comply in all material respects with the Securities Act and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in the Registration Statement and the Prospectus and any amendment or supplement thereto, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 7(b) hereof.

(g) *Financial Statements.* The financial statements (including the related notes thereto) of the Company and its consolidated subsidiaries included in the Registration Statement, the Pricing Disclosure Package and the Prospectus comply in all material respects with the applicable requirements of the Securities Act and present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of the dates indicated and the results of their operations and the changes in their cash flows for the periods specified; such financial statements have been prepared in all material respects in conformity with generally accepted accounting principles ("GAAP") in the United States applied on a consistent basis throughout the periods covered thereby, except in the case of unaudited interim financial statements, which are subject to normal year-end adjustments and do not contain certain footnotes as permitted by the applicable rules of the Commission, and any supporting schedules included in the Registration Statement present fairly, in all material respects, the information required to be stated therein; the other financial information included in the Registration Statement, the Pricing Disclosure Package and the Prospectus has been derived from the accounting records of the Company and its consolidated subsidiaries and presents fairly, in all material respects, the information shown thereby; all disclosures included in the Registration Statement, the Pricing Disclosure Package and the Prospectus regarding "non-GAAP financial measures" (as such term is defined by the rules and regulations of Commission) comply in all material respects with Regulation G of the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder (collectively, the "Exchange Act") and Item 10 of Regulation S-K of the Securities Act, to the extent applicable; and the *pro forma* financial information and the related notes thereto included in the Registration Statement, the Pricing Disclosure Package and the Prospectus have been prepared in accordance with the applicable requirements of the Securities Act and the Exchange Act, as applicable, and the assumptions underlying such pro forma financial information are reasonable and are set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(h) *No Material Adverse Change*. Since the date of the most recent financial statements of the Company included in the Registration Statement, the Pricing Disclosure Package and the Prospectus, (i) there has not been any change in the capital stock (other than the issuance of shares of Common Stock upon exercise of stock options and warrants described as outstanding in, and the grant of options and awards under existing equity incentive plans described in, the Registration Statement, the Pricing Disclosure Package and the Prospectus), short-term debt or long-term debt of the Company or any of its subsidiaries, or any dividend or distribution of any kind declared, set aside for payment, paid or made by the Company on any class of capital stock, or any material adverse change, or any development that would reasonably be expected to result in a material adverse change, in or affecting the business, properties, management, financial position, stockholders' equity, results of operations or prospects of the Company and its subsidiaries taken as a whole; (ii) neither the Company nor any of its subsidiaries has entered into any transaction or agreement (whether or not in the ordinary course of business) that is material to the Company and its subsidiaries taken as a whole or incurred any liability or obligation, direct or contingent, that is material to the Company and its subsidiaries taken as a whole; and (iii) neither the Company nor any of its subsidiaries has sustained any loss or interference with its business that is material to the Company and its subsidiaries taken as a whole and that is either from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority, except in each of (i) and (ii) with regard to the acquisition of Totient, Inc. as disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(i) *Organization and Good Standing.* The Company and each of its subsidiaries have been duly organized and are validly existing and in good standing under the laws of their respective jurisdictions of organization, are duly qualified to do business and are in good standing in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification, and have all power and authority necessary to own or hold their respective properties and to conduct the businesses in which they are engaged, except where the failure to be so qualified or in good standing or have such power or authority would not, individually or in the aggregate, have a material adverse effect on the business, properties, management, financial position, stockholders' equity, results of operations or prospects of the Company and its subsidiaries taken as a whole or on the performance by the Company of its obligations under this Agreement (a "Material Adverse Effect"). The Company does not own or control, directly or indirectly, any corporation, association or other entity.

(j) *Capitalization.* The Company has an authorized capitalization as set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus under the heading "Capitalization"; all the outstanding shares of capital stock of the Company have been duly and validly authorized and issued and are fully paid and non-assessable and are not subject to any pre-emptive or similar rights that have not been duly waived or satisfied; except as described in or expressly contemplated by the Registration Statement, the Pricing Disclosure Package and the Prospectus, there are no outstanding rights (including, without limitation, pre-emptive rights that have not been duly waived or satisfied), warrants or options to acquire, or instruments convertible into or exchangeable for, any shares of capital stock or other equity interest in the Company or any of its subsidiaries, or any contract, commitment, agreement, understanding or arrangement of any kind relating to the issuance of any capital stock of the Company or any such subsidiary, any such convertible or exchangeable securities or any such rights, warrants or options; the capital stock of the Company conforms in all material respects to the description thereof contained in the

Registration Statement, the Pricing Disclosure Package and the Prospectus; and all the outstanding shares of capital stock or other equity interests of each subsidiary owned, directly or indirectly, by the Company have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly or indirectly by the Company, free and clear of any lien, charge, encumbrance, security interest, restriction on voting or transfer or any other claim of any third party.

(k) *Stock Options.* With respect to the stock options (the "Stock Options") granted pursuant to the equity incentive or other stock-based compensation plans of the Company and its subsidiaries (collectively, the "Company Equity Plans"), (i) each Stock Option intended to qualify as an "incentive stock option" under Section 422 of the Code so qualifies, (ii) each grant of a Stock Option was duly authorized no later than the date on which the grant of such Stock Option was by its terms to be effective (the "Grant Date") by all necessary corporate action, including, as applicable, approval by the board of directors of the Company (or a duly constituted and authorized committee thereof) and any required stockholder approval by the necessary number of votes or written consents, and the award agreement governing such grant (if any) was duly executed and delivered by each party thereto, (iii) each such grant was made in accordance with the terms of the Company Equity Plans, any applicable provisions of the Exchange Act and all other applicable laws and regulatory rules or requirements, including the applicable rules of the Nasdaq Global [Select] Market (the "Nasdaq Market") in all material respects, and (iv) each such grant was properly accounted for in accordance with GAAP in the financial statements (including the related notes) of the Company in all material respects. The Company has not knowingly granted, and there is no and has been no policy or practice of the Company of granting, Stock Options prior to, or otherwise coordinating the grant of Stock Options with, the release or other public announcement of material information regarding the Company or its subsidiaries or their results of operations or prospects.

(l) *Due Authorization.* The Company has full right, power and authority to execute and deliver this Agreement and to perform its obligations hereunder; and all action required to be taken for the due and proper authorization, execution and delivery by it of this Agreement and the consummation by it of the transactions contemplated hereby has been duly and validly taken.

(m) *Underwriting Agreement.* This Agreement has been duly authorized, executed and delivered by the Company.

(n) *The Shares.* The Shares to be issued and sold by the Company hereunder have been duly authorized by the Company and, when issued and delivered and paid for as provided herein, will be duly and validly issued, will be fully paid and nonassessable and will conform in all material respects to the descriptions thereof in the Registration Statement, the Pricing Disclosure Package and the Prospectus; and the issuance of the Shares is not subject to any preemptive or similar rights.

(o) *Descriptions of the Underwriting Agreement.* This Agreement conforms in all material respects to the description thereof contained in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(p) *Listing*. The Shares have been approved for listing on the Nasdaq Market, subject to notice of issuance.

(q) *No Violation or Default.* Neither the Company nor any of its subsidiaries is (i) in violation of its charter or by-laws or similar organizational documents; (ii) in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any property or asset of the Company or any of its subsidiaries is subject; or (iii) in violation of any applicable law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority having jurisdiction over the Company, except, in the case of clauses (ii) and (iii) above, for any such default or violation that would not, individually or in the aggregate, have a Material Adverse Effect.

(r) *No Conflicts.* The execution, delivery and performance by the Company of its obligations under this Agreement, the issuance and sale of the Shares and the consummation by the Company of the transactions contemplated by this Agreement or the Pricing Disclosure Package and the Prospectus will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, result in the termination, modification or acceleration of, or result in the creation or imposition of any lien, charge or encumbrance upon any property, right or asset of the Company or any of its subsidiaries pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any property, right or asset of the Company or any of its subsidiaries is subject, (ii) result in any violation of the provisions of the charter or by-laws or similar organizational documents of the Company or any of its subsidiaries or (iii) result in the violation of any applicable law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority having jurisdiction over the Company, except, in the case of clauses (i) and (iii) above, for any such conflict, breach, violation, default, lien, charge or encumbrance that would not, individually or in the aggregate, have a Material Adverse Effect.

(s) *No Consents Required.* No consent, approval, authorization, order, registration or qualification of or with any court or arbitrator or governmental or regulatory authority is required for the execution, delivery and performance by the Company of this Agreement, the issuance and sale of the Shares and the consummation by the Company of the transactions contemplated by this Agreement, except for the registration of the Shares under the Securities Act and such consents, approvals, authorizations, orders and registrations or qualifications as may be required by the Financial Industry Regulatory Authority, Inc. ("FINRA"), the Nasdaq Market, and under applicable state securities laws in connection with the purchase and distribution of the Shares by the Underwriters.

(t) *Legal Proceedings.* Except as described in the Registration Statement, the Pricing Disclosure Package, and the Prospectus, there are no legal, governmental or regulatory investigations, actions, demands, claims, suits, arbitrations, inquiries or proceedings (collectively, "Actions"), pending to which the Company or any of its subsidiaries is or, may be a party or to which any property of the Company or any of its subsidiaries is or may be the subject that, individually or in the aggregate, if determined adversely to the Company or any of its subsidiaries, would reasonably be expected to have a Material Adverse Effect; to the knowledge of the Company, no such Actions are threatened or, contemplated by any governmental or regulatory authority or threatened by others, that could reasonably be expected to have a Material Adverse Effect; and (i) there are no current or pending Actions that are required under the

Securities Act to be described in the Registration Statement, the Pricing Disclosure Package or the Prospectus that are not so described in the Registration Statement, the Pricing Disclosure Package and the Prospectus and (ii) there are no statutes, regulations or contracts or other documents that are required under the Securities Act to be filed as exhibits to the Registration Statement or described in the Registration Statement, the Pricing Disclosure Package or the Prospectus that are not so filed as exhibits to the Registration Statement or described in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(u) *Independent Accountants*. Ernst & Young LLP, who has certified certain financial statements of the Company and its subsidiaries, is an independent registered public accounting firm with respect to the Company and its subsidiaries within the applicable rules and regulations adopted by the Commission and the Public Company Accounting Oversight Board (United States) and as required by the Securities Act.

(v) *Title to Real and Personal Property*. The Company and its subsidiaries have good and marketable title in fee simple (in the case of real property) to, or have valid rights to lease or otherwise use, all items of real and personal property that are material to the respective businesses of the Company and its subsidiaries, in each case free and clear of all liens, encumbrances, claims and defects and imperfections of title except those that (i) do not materially interfere with the use made and proposed to be made of such property by the Company and its subsidiaries or (ii) would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(w) *Intellectual Property.* (i) The Company and its subsidiaries own, possess, or have the right to use all patents, patent applications, trademarks, service marks, trade names, trademark registrations, service mark registrations, domain names and other source indicators, copyrights and copyrightable works, know-how (including trade secrets, data and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), software, proprietary or confidential information and all other worldwide intellectual property and proprietary rights (including all registrations, and applications for registration of, and all goodwill associated with, the foregoing) (collectively, "Intellectual Property") used in, or, to the knowledge of the Company, necessary for, the conduct of their respective businesses as currently conducted and as proposed to be conducted in the Registration Statement, the Pricing Disclosure Package and the Prospectus which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would reasonably be expected to have a Material Adverse Effect; (ii) to the knowledge of the Company, the Company's and its subsidiaries' conduct of their respective businesses as currently conducted has not infringed, misappropriated or otherwise violated any valid Intellectual Property of any person; (iii) other than in connection with proceedings with the relevant patent, trademark, or similar intellectual property offices in relevant jurisdictions (including the United States Patent and Trademark Office) in the ordinary course of prosecuting, maintaining, obtaining, or registering patent rights, trademark rights, copyrights, or other Intellectual Property of the Company or its Subsidiaries, there is no claim, action, suit, investigation or proceeding pending against, or to the knowledge of the Company, threatened against, the Company or its subsidiaries (A) based upon, or challenging or seeking to deny or restrict, any rights of the Company and its subsidiaries in any Intellectual Property owned by or exclusively licensed by the Company or any of its subsidiaries, (B) challenging the ownership, validity, enforceability or scope of any Intellectual Property owned or exclusively licensed by the Company or its subsidiaries, or (C) alleging that the Company or any of its subsidiaries have infringed, misappropriated or otherwise violated any Intellectual Property of any person; (iv) to

the knowledge of the Company, the Intellectual Property owned or exclusively licensed by the Company and its subsidiaries has not been infringed, misappropriated or otherwise violated by any person; (v) to the knowledge of the Company, none of the Intellectual Property owned or exclusively licensed by the Company and its subsidiaries has been adjudged invalid or unenforceable and, to the knowledge of the Company, all such Intellectual Property is valid and enforceable; and (vi) the Company and its subsidiaries have taken reasonable steps in accordance with normal industry practice to maintain the confidentiality of all Intellectual Property of the Company and its subsidiaries in the applicable countries and territories necessary to the development, manufacture, operation and sale of any products and services sold or proposed to be sold by any of the Company or its subsidiaries, the value of which to the Company and its subsidiaries is contingent upon maintaining the confidentiality thereof, and, to the knowledge of the Company, no such Intellectual Property has been disclosed other than to employees, representatives, partners, legal or financial advisors and agents of the Company, or other third parties, all of whom are bound by written or other professional or ethical obligations of confidentiality with respect thereto.

(x) *No Undisclosed Relationships*. No relationship, direct or indirect, exists between or among the Company or any of its subsidiaries, on the one hand, and the directors, officers, stockholders, customers, suppliers or other affiliates of the Company or any of its subsidiaries, on the other, that is required by the Securities Act to be described in each of the Registration Statement and the Prospectus and that is not so described in such documents and in the Pricing Disclosure Package.

(y) *Investment Company Act*. The Company is not and, after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, will not be required to register as an "investment company" or an entity "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and the rules and regulations of the Commission thereunder (collectively, the "Investment Company Act").

(z) *Taxes.* The Company and its subsidiaries have paid all federal, state, local and foreign taxes and filed all tax returns required to be paid or filed through the date hereof; and except as otherwise disclosed in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus or except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, there is no tax deficiency that has been, or would reasonably be expected to be, asserted against the Company or any of its subsidiaries or any of their respective properties or assets.

(aa) *Licenses and Permits*. The Company and its subsidiaries possess all licenses, sub-licenses, certificates, permits and other authorizations issued by, and have made all declarations and filings with, the appropriate federal, state, local or foreign governmental or regulatory authorities (each, a "Governmental Authority") that are necessary for the ownership or lease of their respective properties or the conduct of their respective businesses as described in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus except where the failure to possess, file or declare that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and except as described in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus, neither the Company nor any of its subsidiaries has received notice of any revocation or modification of any such license, sub-license, certificate, permit or authorization or has any reason to believe that any such

license, sub-license, certificate, permit or authorization will not be renewed in the ordinary course. The Company and its subsidiaries are, and since their incorporation have been, in compliance with all statutes, rules and regulations applicable to the ownership, testing, development, manufacture, packaging, processing, use, distribution, storage, import, export or disposal of any product manufactured or distributed by the Company or its subsidiaries, except where the failure to be in compliance would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(bb) *No Labor Disputes.* No labor disturbance by or dispute with employees of the Company or any of its subsidiaries exists or, to the knowledge of the Company, is contemplated or threatened, and the Company is not aware of any existing or imminent labor disturbance by, or dispute with, the employees of any of its or its subsidiaries' principal suppliers, contractors or customers, in each case, except as would not have a Material Adverse Effect. Neither the Company nor any of its subsidiaries is a party to any collective bargaining agreement.

(cc) *Certain Environmental Matters*. (i) The Company and its subsidiaries (x) are in compliance with all, and have not violated any, applicable federal, state, local and foreign laws (including common law), rules, regulations, requirements, decisions, judgments, decrees, orders and other legally enforceable requirements relating to pollution or the protection of human health or safety, the environment, natural resources, hazardous or toxic substances or wastes, pollutants or contaminants (collectively, "Environmental Laws"); (y) have received and are in compliance with all, and have not violated any, permits, licenses, certificates or other authorizations or approvals required of them under any Environmental Laws to conduct their respective businesses; and (z) have not received notice of any actual or potential liability or obligation under or relating to, or any actual or potential violation of, applicable Environmental Laws, including for the investigation or remediation of any disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants, and have no knowledge of any event or condition that would reasonably be expected to result in any such notice; (ii) there are no costs or liabilities associated with Environmental Laws of or relating to the Company or its subsidiaries, except in the case of each of (i) and (ii) above, for any such matter as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and (iii) except as described in each of the Pricing Disclosure Package and the Prospectus, (x) there is no proceeding that is pending, or to the Company's knowledge, contemplated, against the Company or any of its subsidiaries under any Environmental Laws in which a governmental entity is also a party, other than such proceeding regarding which the Company reasonably believes no monetary sanctions of $100,000 or more will be imposed, (y) the Company and its subsidiaries are not aware of any facts or issues regarding compliance with Environmental Laws, or liabilities or other obligations under Environmental Laws or concerning hazardous or toxic substances or wastes, pollutants or contaminants, that would reasonably be expected to have a Material Adverse Effect, and (z) none of the Company or its subsidiaries anticipates material capital expenditures relating to any Environmental Laws.

(dd) *Hazardous Materials*. There has been no storage, generation, transportation, use, handling, treatment, Release or threat of Release of Hazardous Materials by, relating to or caused by the Company or the Company's subsidiaries (or, to the knowledge of the Company, any other entity (including any predecessor) for whose acts or omissions the Company or any of the Company's subsidiaries is or would reasonably be expected to be liable) at, on, under or from any property or facility now or previously owned, operated or leased by the Company or the Company's subsidiaries, or to the knowledge of the Company, at, on, under or from any other

property or facility, in material violation by the Company or its subsidiaries of any Environmental Laws or in a manner or amount or to a location that would reasonably be expected to have a Material Adverse Effect under any Environmental Law. “Hazardous Materials” means any material, chemical, substance, waste, pollutant, contaminant, compound, mixture, or constituent thereof, in any form or amount, including petroleum (including crude oil or any fraction thereof) and petroleum products, natural gas liquids, asbestos and asbestos-containing materials, naturally occurring radioactive materials, brine, and drilling mud, regulated or which can give rise to liability under any Environmental Law. “Release” means any spilling, leaking, seepage, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing, dispersing, or migrating in, into or through the environment, or in, into, from or through any building or structure.

(ee) *Compliance with ERISA*. (i) Each employee benefit plan, within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), for which the Company or any member of its “Controlled Group” (defined as any entity, whether or not incorporated, that is under common control with the Company within the meaning of Section 4001(a)(14) of ERISA or any entity that would be regarded as a single employer with the Company under Section 414(b),(c), (m) or (o) of the Internal Revenue Code of 1986, as amended (the “Code”)) would have any liability (each, a “Plan”) has been maintained in compliance with its terms and the requirements of any applicable statutes, orders, rules and regulations, including but not limited to ERISA and the Code; (ii) no prohibited transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, has occurred with respect to any Plan, excluding transactions effected pursuant to a statutory or administrative exemption; (iii) for each Plan that is subject to the funding rules of Section 412 of the Code or Section 302 of ERISA, no Plan has failed (whether or not waived), or is reasonably expected to fail, to satisfy the minimum funding standards (within the meaning of Section 302 of ERISA or Section 412 of the Code) applicable to such Plan; (iv) no Plan is, or is reasonably expected to be, in “at risk status” (within the meaning of Section 303(i) of ERISA) and no Plan that is a “multiemployer plan” within the meaning of Section 4001(a)(3) of ERISA is in “endangered status” or “critical status” (within the meaning of Sections 304 and 305 of ERISA) (v) the fair market value of the assets of each Plan exceeds the present value of all benefits accrued under such Plan (determined based on those assumptions used to fund such Plan); (vi) no “reportable event” (within the meaning of Section 4043(c) of ERISA and the regulations promulgated thereunder) has occurred or is reasonably expected to occur; (vii) each Plan that is intended to be qualified under Section 401(a) of the Code is so qualified, and to the knowledge of the Company, nothing has occurred, whether by action or by failure to act, which would cause the loss of such qualification; (viii) neither the Company nor any member of the Controlled Group has incurred, nor reasonably expects to incur, any liability under Title IV of ERISA (other than contributions to the Plan or premiums to the Pension Benefit Guarantee Corporation, in the ordinary course and without default) in respect of a Plan (including a “multiemployer plan” within the meaning of Section 4001(a)(3) of ERISA); and (ix) none of the following events has occurred or is reasonably likely to occur: (A) a material increase in the aggregate amount of contributions required to be made to all Plans by the Company or its Controlled Group affiliates in the current fiscal year of the Company and its Controlled Group affiliates compared to the amount of such contributions made in the Company’s and its Controlled Group affiliates’ most recently completed fiscal year; or (B) a material increase in the Company and its subsidiaries’ “accumulated post-retirement benefit obligations” (within the meaning of Accounting Standards Codification Topic 715-60) compared to the amount of such obligations in the Company and its subsidiaries’ most recently completed fiscal year, except

in each case with respect to the events or conditions set forth in (i) through (ix) hereof, as would not, individually or in the aggregate, have a Material Adverse Effect.

(ff) *Disclosure Controls*. The Company and its subsidiaries maintain an effective system of "disclosure controls and procedures" (as defined in Rule 13a-15(e) of the Exchange Act) that complies with the applicable requirements of the Exchange Act and that has been designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms, including controls and procedures designed to ensure that such information is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure.

(gg) *Accounting Controls.* The Company and its subsidiaries maintain a system of "internal control over financial reporting" (as defined in Rule 13a-15(f) of the Exchange Act) that has been designed to comply with the requirements of the Exchange Act applicable to the Company and have been designed by, or under the supervision of, their respective principal executive and principal financial officers, or persons performing similar functions, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The Company and its subsidiaries maintain internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as disclosed in the Registration Statement, the Pricing Disclosure Package, and the Prospectus, there are no material weaknesses in the Company's internal controls. The Company's auditors and the Audit Committee of the Board of Directors of the Company have been advised of: (x) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which have adversely affected or are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and (y) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting.

(hh) *Insurance.* The Company and its subsidiaries have insurance covering their respective properties, operations, personnel and businesses, including business interruption insurance, which insurance is in amounts and insures against such losses and risks as the Company reasonably believes are adequate to protect the Company and its subsidiaries and their respective businesses; and neither the Company nor any of its subsidiaries has (i) received notice from any insurer or agent of such insurer that capital improvements or other expenditures are required or necessary to be made in order to continue such insurance or (ii) any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage at reasonable cost from similar insurers as may be necessary to continue its business.

(ii) *Cybersecurity; Data Protection.* The Company and its subsidiaries' information technology assets and equipment, computers, systems, networks, hardware, software, websites, applications, and databases owned or used by the Company or its subsidiaries (collectively, "IT

Systems") are adequate for, and operate as required in connection with the operation of the business of the Company and its subsidiaries as currently conducted in all material respects, free and clear of all material bugs, errors, defects, Trojan horses, time bombs, malware, and other corruptants. The Company and its subsidiaries have implemented and maintained commercially reasonable controls, policies, procedures, and safeguards to maintain and protect their material confidential information and the integrity, continuous operation, redundancy and security of the IT Systems and data collected, used, maintained or otherwise processed, by the Company and its subsidiaries (including all personal, personally identifiable, sensitive, confidential or regulated data collected, used or processed in connection with their respective businesses (including "personal data," "personal information," "protected health information," "nonpublic personal information," or other similar terms as defined by the Data Security Obligations (as such term is defined below)) ("Personal Data")), and, there have been no breaches, violations, outages or unauthorized uses of or accesses to the IT Systems, except for those that have been remedied without material cost or liability or the duty to notify any other person, nor any incidents under internal review or investigations relating to the same. The Company and its subsidiaries have implemented backup and disaster recovery technology consistent with industry standards and practices.

(jj) *Privacy*. Except as would not reasonably be expected to have a Material Adverse Effect, the Company and its subsidiaries have complied with and are in compliance with all applicable federal, state, local and foreign laws or statutes (including, without limitation, to the extent applicable, the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act, the California Consumer Privacy Act, and the European Union General Data Protection Regulation ("GDPR")), and all applicable judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority, as well as applicable internal and external policies, and contractual obligations of the Company, and industry standards relating to the privacy and security of IT Systems and the collection, use, transfer, import, export, storage, disposal and disclosure of Personal Data and to the protection of such IT Systems and Personal Data from unauthorized use, access, misappropriation or modification ("Data Security Obligations"). Neither the Company nor its subsidiaries have received any notification of or complaint regarding non-compliance with any Data Security Obligation. There is no pending, or to the knowledge of the Company, threatened, action, suit or proceeding by or before any court or governmental agency, authority or body pending or threatened alleging non-compliance with any Data Security Obligation. There has been no unauthorized access to Personal Data collected, used or processed in connection with the Company's business. The Company and its subsidiaries have made all disclosures to users or customers required by applicable laws and regulatory rules or requirements, and no such disclosures have been inaccurate or in violation of any applicable laws or regulatory rules and requirements, except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect. The Company and its subsidiaries have taken commercially reasonable actions to prepare to comply with the GDPR (and all other applicable laws and regulations with respect to Personal Data that are effective as of the date hereof.

(kk) *Software*. Except as would not reasonably be expected to have a Material Adverse Effect, (i) the Company and its subsidiaries use and have used any and all software and other materials distributed under a "free," "open source," or similar licensing model (including but not limited to the MIT License, Apache License, GNU General Public License, GNU Lesser General Public License and GNU Affero General Public License) ("Open Source Software") in compliance with all license terms applicable to such Open Source Software; (ii) neither the

Company or its subsidiaries use or distribute or have used or distributed any Open Source Software in any manner that, to the knowledge of the Company, requires or has required (A) Company or its subsidiaries to permit reverse engineering of any software code or other technology owned by Company or its subsidiaries or (B) any software code or other technology owned by Company or its subsidiaries to be (1) disclosed or distributed in source code form, (2) licensed for the purpose of making derivative works or (3) redistributed at no charge; and (iii) neither the Company nor its subsidiaries has deposited, nor could be required to deposit, into escrow the source code of any of its software and no such source code has been released to any third party, or is entitled to be released to any third party, by any escrow agent, and the consummation of the transactions contemplated by this Agreement will not trigger the release of any such source code.

(ll) *No Unlawful Payments.* Neither the Company nor any of its subsidiaries nor any director, officer or employee of the Company or any of its subsidiaries nor, to the knowledge of the Company, any agent, affiliate or other person associated with or acting on behalf of the Company or any of its subsidiaries has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made or taken an act in furtherance of an offer, promise or authorization of any direct or indirect unlawful payment or benefit to any foreign or domestic government or regulatory official or employee, including of any government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office; (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977, as amended, or any applicable law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, or committed an offence under the Bribery Act 2010 of the United Kingdom or any other applicable anti-bribery or anti-corruption law; or (iv) made, offered, agreed, requested or taken an act in furtherance of any unlawful bribe or other unlawful benefit, including, without limitation, any rebate, payoff, influence payment, kickback or other unlawful or improper payment or benefit. The Company and its subsidiaries have instituted, maintain and enforce, and will continue to maintain and enforce policies and procedures designed to promote and ensure compliance with all applicable anti-bribery and anti-corruption laws. Neither the Company nor any of its subsidiaries will use, directly or indirectly, the proceeds of the offering in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any person in violation of any applicable anti-bribery or anti-corruption laws.

(mm) *Compliance with Anti-Money Laundering Laws*. The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements, including those of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the applicable money laundering statutes of all jurisdictions where the Company or any of its subsidiaries conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any governmental or regulatory agency (collectively, the “Anti-Money Laundering Laws”) and no action, suit or proceeding by or before any court or governmental or regulatory agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(nn) *No Conflicts with Sanctions Laws*. Neither the Company nor any of its subsidiaries, directors, officers, or employees, nor, to the knowledge of the Company, any agent, affiliate or other person associated with or acting on behalf of the Company or any of its subsidiaries is or is owned or controlled by one or more persons that are currently the subject or the target of any sanctions administered or enforced by the U.S. government, (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC") or the U.S. Department of State and including, without limitation, the designation as a "specially designated national" or "blocked person"), the United Nations Security Council ("UNSC"), the European Union, Her Majesty's Treasury ("HMT"), the Swiss Secretariat of Economic Affairs or other relevant sanctions authority (collectively, "Sanctions"), nor is the Company or any of its subsidiaries, directors, officers, or employees, or, to the knowledge of the Company, any agent, affiliate or other person associated with or acting on behalf of the Company or any of its subsidiaries located, organized or resident, or owned or controlled by one or more persons that are located, organized or resident in a country or territory that is the subject or target of Sanctions, including, without limitation, Crimea, Cuba, Iran, North Korea and Syria (each, a "Sanctioned Country"); and the Company will not directly or indirectly use the proceeds of the offering of the Shares hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity (i) to fund or facilitate any activities of or business with any person that, at the time of such funding or facilitation, is the subject or target of Sanctions, (ii) to fund or facilitate any activities of or business in any Sanctioned Country or (iii) in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions. For the past five years, the Company and its subsidiaries have not knowingly engaged in and are not now knowingly engaged in any dealings or transactions with any person that at the time of the dealing or transaction is or was the subject or the target of Sanctions or with any Sanctioned Country.

(oo) *No Restrictions on Subsidiaries*. No subsidiary of the Company is currently prohibited, directly or indirectly, under any agreement or other instrument to which it is a party or is subject, from paying any dividends to the Company, from making any other distribution on such subsidiary's capital stock or similar ownership interest, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiary's properties or assets to the Company or any other subsidiary of the Company.

(pp) *No Broker's Fees.* Neither the Company nor any of its subsidiaries is a party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against any of them or any Underwriter for a brokerage commission, finder's fee or like payment in connection with the offering and sale of the Shares.

(qq) *No Registration Rights*. No person has the right to require the Company or any of its subsidiaries to register any securities for sale under the Securities Act by reason of the filing of the Registration Statement with the Commission or the issuance and sale of the Shares, except for such rights as have been duly waived.

(rr) *No Stabilization.* Neither the Company nor any of its subsidiaries or, to the Company's knowledge, other affiliates has taken, directly or indirectly, without giving effect to activities by the Underwriters, any action designed to or that would reasonably be expected to cause or result in any stabilization or manipulation of the price of the Shares.

(ss) *Margin Rules*. Neither the issuance, sale and delivery of the Shares nor the application of the proceeds thereof by the Company as described in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus will violate Regulation T, U, or X of the Board of Governors of the Federal Reserve System or any other regulation of such Board of Governors.

(tt) *Forward-Looking Statements.* No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) included in any of the Registration Statement, the Pricing Disclosure Package or the Prospectus has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(uu) *Statistical and Market Data.* Nothing has come to the attention of the Company that has caused the Company to believe that the statistical and market-related data included in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus is not based on or derived from sources that are reliable and accurate in all material respects.

(vv) *Sarbanes-Oxley Act.* There is and has been no failure on the part of the Company or any of the Company's directors or officers, in their capacities as such, to comply with any applicable provision of the Sarbanes-Oxley Act of 2002, as amended and the rules and regulations promulgated in connection therewith (the "Sarbanes-Oxley Act"), including Section 402 related to loans and Sections 302 and 906 related to certifications.

(ww) *Status under the Securities Act*. At the time of filing the Registration Statement and any post-effective amendment thereto, at the earliest time thereafter that the Company or any offering participant made a *bona fide* offer (within the meaning of Rule 164(h)(2) under the Securities Act) of the Shares and at the date hereof, the Company was not and is not an "ineligible issuer," as defined in Rule 405 under the Securities Act. The Company has paid the registration fee for this offering pursuant to Rule 456(b)(1) under the Securities Act or will pay such fee within the time period required by such rule (without giving effect to the proviso therein) and in any event prior to the Closing Date.

(xx) *No Ratings*. There are (and prior to the Closing Date, will be) no debt securities, convertible securities or preferred stock issued or guaranteed by the Company or any of its subsidiaries that are rated by a "nationally recognized statistical rating organization", as such term is defined in Section 3(a)(62) under the Exchange Act.

(yy) *Directed Share Program*. The Company represents and warrants that (i) the Registration Statement, the Pricing Disclosure Package and the Prospectus, any Preliminary Prospectus and any Issuer Free Writing Prospectuses comply in all material respects, and any further amendments or supplements thereto will comply in all material respects, with any applicable laws or regulations of foreign jurisdictions in which the Pricing Disclosure Package, the Prospectus, any Preliminary Prospectus and any Issuer Free Writing Prospectus, as amended or supplemented, if applicable, are distributed in connection with the Directed Share Program, and that (ii) no authorization, approval, consent, license, order, registration or qualification of or with any government, governmental instrumentality or court, other than such as have been obtained, is necessary under the securities laws and regulations of foreign jurisdictions in which the Directed Shares are offered outside the United States. The Company has not offered, or caused the underwriters to offer, Shares to any person pursuant to the Directed Share Program with the specific intent to unlawfully influence (i) a customer or supplier of the Company to alter

the customer or supplier's level or type of business with the Company, or (ii) a trade journalist or publication to write or publish favorable information about the Company or its products.

4. Further Agreements of the Company. The Company covenants and agrees with each Underwriter that:

(a) *Required Filings.* The Company will file the final Prospectus with the Commission within the time periods specified by Rule 424(b) and Rule 430A, 430B or 430C under the Securities Act, will file any Issuer Free Writing Prospectus to the extent required by Rule 433 under the Securities Act; and the Company will furnish copies of the Prospectus and each Issuer Free Writing Prospectus (to the extent not previously delivered) to the Underwriters in New York City prior to 10:00 A.M., New York City time, on the business day next succeeding the date of this Agreement in such quantities as the Representatives may reasonably request.

(b) *Delivery of Copies.* The Company will deliver, if requested, without charge, (i) to the Representatives, four signed copies of the Registration Statement as originally filed and each amendment thereto, in each case including all exhibits and consents filed therewith; and (ii) to each Underwriter (A) a conformed copy of the Registration Statement as originally filed and each amendment thereto (without exhibits) and (B) during the Prospectus Delivery Period (as defined below), as many copies of the Prospectus (including all amendments and supplements thereto and each Issuer Free Writing Prospectus) as the Representatives may reasonably request. As used herein, the term "Prospectus Delivery Period" means such period of time after the first date of the public offering of the Shares as in the opinion of counsel for the Underwriters a prospectus relating to the Shares is required by law to be delivered (or required to be delivered but for Rule 172 under the Securities Act) in connection with sales of the Shares by any Underwriter or dealer.

(c) *Amendments or Supplements, Issuer Free Writing Prospectuses.* Before making, preparing, using, authorizing, approving, referring to or filing any Issuer Free Writing Prospectus, and before filing any amendment or supplement to the Registration Statement, the Pricing Disclosure Package or the Prospectus, the Company will furnish to the Representatives and counsel for the Underwriters a copy of the proposed Issuer Free Writing Prospectus, amendment or supplement for review and will not make, prepare, use, authorize, approve, refer to or file any such Issuer Free Writing Prospectus or file any such proposed amendment or supplement to which the Representatives reasonably object.

(d) *Notice to the Representatives.* The Company will advise the Representatives promptly, and confirm such advice in writing (which may be by electronic mail), (i) when the Registration Statement has become effective; (ii) when any amendment to the Registration Statement has been filed or becomes effective; (iii) when any supplement to the Pricing Disclosure Package, the Prospectus, any Issuer Free Writing Prospectus or any Written Testing-the-Waters Communication or any amendment to the Prospectus has been filed or distributed; (iv) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or the receipt of any comments from the Commission relating to the Registration Statement or any other request by the Commission for any additional information including, but not limited to, any request for information concerning any Testing-the-Waters Communication; (v) of the issuance by the Commission or any other governmental or regulatory authority of any order suspending the effectiveness of the Registration Statement or preventing or suspending the use of any Preliminary Prospectus, any of

the Pricing Disclosure Package, the Prospectus or any Written Testing-the-Waters Communication or the initiation or threatening of any proceeding for that purpose or pursuant to Section 8A of the Securities Act; (vi) of the occurrence of any event or development within the Prospectus Delivery Period as a result of which the Prospectus, any of the Pricing Disclosure Package, any Issuer Free Writing Prospectus or any Written Testing-the-Waters Communication as then amended or supplemented would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Prospectus, the Pricing Disclosure Package, any such Issuer Free Writing Prospectus or any Written Testing-the-Waters Communication is delivered to a purchaser, not misleading; and (vii) of the receipt by the Company of any notice with respect to any suspension of the qualification of the Shares for offer and sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and the Company will use its reasonable best efforts to prevent the issuance of any such order suspending the effectiveness of the Registration Statement, preventing or suspending the use of any Preliminary Prospectus, any of the Pricing Disclosure Package or the Prospectus or any Written Testing-the-Waters Communication or suspending any such qualification of the Shares and, if any such order is issued, will obtain as soon as possible the withdrawal thereof.

(e) *Ongoing Compliance.* (1) If during the Prospectus Delivery Period (i) any event or development shall occur or condition shall exist as a result of which the Prospectus as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Prospectus is delivered to a purchaser, not misleading or (ii) it is necessary to amend or supplement the Prospectus to comply with law, the Company will promptly notify the Underwriters thereof and forthwith prepare and, subject to paragraph (c) above, file with the Commission and furnish to the Underwriters and to such dealers as the Representatives may designate such amendments or supplements to the Prospectus as may be necessary so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances existing when the Prospectus is delivered to a purchaser, be misleading or so that the Prospectus will comply with law and (2) if at any time prior to the Closing Date (i) any event or development shall occur or condition shall exist as a result of which the Pricing Disclosure Package as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Pricing Disclosure Package is delivered to a purchaser, not misleading or (ii) it is necessary to amend or supplement the Pricing Disclosure Package to comply with law, the Company will promptly notify the Underwriters thereof and forthwith prepare and, subject to paragraph (c) above, file with the Commission (to the extent required) and furnish to the Underwriters and to such dealers as the Representatives may designate such amendments or supplements to the Pricing Disclosure Package as may be necessary so that the statements in the Pricing Disclosure Package as so amended or supplemented will not, in the light of the circumstances existing when the Pricing Disclosure Package is delivered to a purchaser, be misleading or so that the Pricing Disclosure Package will comply with law.

(f) *Blue Sky Compliance.* The Company will qualify the Shares for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Representatives shall reasonably request and will continue such qualifications in effect so long as required for distribution of the Shares; provided that the Company shall not be required to (i) qualify as a foreign corporation or other entity or as a dealer in securities in any such jurisdiction where it would not otherwise be

required to so qualify, (ii) file any general consent to service of process in any such jurisdiction or (iii) subject itself to taxation in any such jurisdiction if it is not otherwise so subject.

(g) *Earning Statement.* The Company will make generally available to its security holders and the Representatives as soon as practicable an earning statement that satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 of the Commission promulgated thereunder covering a period of at least twelve months beginning with the first fiscal quarter of the Company occurring after the "effective date" (as defined in Rule 158) of the Registration Statement; provided that the Company will be deemed to have furnished such statements to its security holders and the Representatives to the extent they are filed on the Commission's Electronic Data Gathering, Analysis and Retrieval system ("EDGAR").

(h) *Clear Market.* For a period of 180 days after the date of the Prospectus, the Company 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 Commission a registration statement under the Securities Act relating to, any shares of Stock or any securities convertible into or exercisable or exchangeable for Stock, or (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Stock or any such other securities, or publicly disclose the intention to undertake any of the transactions described in clause (i) or (ii), whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Stock or such other securities, in cash or otherwise, without the prior written consent of the Representatives, other than (A) the Shares to be sold hereunder, (B) any shares of Stock of the Company issued upon the conversion of convertible preferred stock and convertible promissory notes outstanding on the date of this Agreement in connection with the transactions contemplated by this Agreement and as disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus, (C) any shares of capital stock of the Company issued upon the exercise of warrants described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, (D) any shares of Stock of the Company issued upon the exercise, vesting or settlement of options or other awards granted under Company Equity Plans or pursuant to any employee stock purchase plan of the Company, in each case described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, (E) any options, shares of Stock and other awards granted under a Company Equity Plan or employee stock purchase plan of the Company, in each case described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, (F) the filing by the Company of any registration statement on Form S-8 or a successor form thereto relating to a Company Equity Plan or employee stock purchase plan described in the Registration Statement, the Pricing Disclosure Package and the Prospectus and (G) the issuance of securities by the Company in connection with mergers, acquisitions or commercial or strategic transactions (including without limitation, joint ventures, marketing or distribution arrangements, collaboration agreements or intellectual property license agreements), provided that the aggregate number of shares issued pursuant to this clause (G) does not exceed 5% of the Company's securities outstanding as of the date hereof issued by the Company; provided that the recipient of any such shares of Stock or securities issued pursuant to clauses (B), (C), (D), (E), and (G) during the 180-day restricted period described above shall enter into an agreement for the remainder of the Restricted Period substantially in the form of Exhibit D hereto.

If the Representatives, in their sole discretion, agree to release or waive the restrictions set forth in a lock-up letter described in Section 6(m) hereof for an officer or director of the

Company and provide the Company with notice of the impending release or waiver substantially in the form of Exhibit B hereto at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by a press release substantially in the form of Exhibit C hereto through a major news service or through other means permitted by FINRA at least two business days before the effective date of the release or waiver, if required by FINRA Rule 5131.

(i) *Use of Proceeds.* The Company will apply the net proceeds from the sale of the Shares as described in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus under the heading "Use of proceeds".

(j) *No Stabilization.* Neither the Company nor its subsidiaries or affiliates will take, directly or indirectly, without giving effect to activities by the Underwriters, any action designed to or that would reasonably be expected to cause or result in any stabilization or manipulation of the price of the Stock.

(k) *Exchange Listing.* The Company will use its reasonable best efforts to list for quotation the Shares on the Nasdaq Market.

(l) *Reports.* During a period of three years from the date of this Agreement, the Company will furnish to the Representatives, as soon as commercially reasonable after the date that they are available, copies of all reports or other communications (financial or other) furnished to holders of the Shares, and copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange or automatic quotation system; provided the Company will be deemed to have furnished such reports and financial statements to the Representatives to the extent they are filed on EDGAR.

(m) *Record Retention*. The Company will, pursuant to reasonable procedures developed in good faith, retain copies of each Issuer Free Writing Prospectus that is not filed with the Commission in accordance with Rule 433 under the Securities Act.

(n) *Filings.* The Company will file with the Commission such reports as may be required by Rule 463 under the Securities Act.

(o) *Directed Share Program*. The Company will comply with all applicable securities and other laws, rules and regulations in each jurisdiction in which the Directed Shares are offered in connection with the Directed Share Program.

(p) *Emerging Growth Company*. The Company will promptly notify the Representatives if the Company ceases to be an Emerging Growth Company at any time prior to the later of (i) completion of the distribution of Shares within the meaning of the Securities Act and (ii) completion of the 180-day restricted period referred to in Section 4(h) hereof.

5. Certain Agreements of the Underwriters. Each Underwriter hereby represents and agrees that:

(a) It has not and will not use, authorize use of, refer to or participate in the planning for use of, any "free writing prospectus", as defined in Rule 405 under the Securities Act (which term includes use of any written information furnished to the Commission by the Company and not incorporated by reference into the Registration Statement and any press release issued by the

Company) other than (i) a free writing prospectus that contains no "issuer information" (as defined in Rule 433(h)(2) under the Securities Act) that was not included (including through incorporation by reference) in the Preliminary Prospectus or a previously filed Issuer Free Writing Prospectus, (ii) any Issuer Free Writing Prospectus listed on Annex A or prepared pursuant to Section 3(c) or Section 4(c) above (including any electronic road show), or (iii) any free writing prospectus prepared by such underwriter and approved by the Company in advance in writing (each such free writing prospectus referred to in clauses (i) or (iii), an "Underwriter Free Writing Prospectus").

(b) It has not and will not, without the prior written consent of the Company, use any free writing prospectus that contains the final terms of the Shares unless such terms have previously been included in a free writing prospectus filed with the Commission; *provided* that Underwriters may use a term sheet substantially in the form of Annex C hereto without the consent of the Company; *provided further* that any Underwriter using such term sheet shall notify the Company, and provide a copy of such term sheet to the Company, prior to, or substantially concurrently with, the first use of such term sheet.

(c) It is not subject to any pending proceeding under Section 8A of the Securities Act with respect to the offering (and will promptly notify the Company if any such proceeding against it is initiated during the Prospectus Delivery Period).

6. Conditions of Underwriters' Obligations. The obligation of each Underwriter to purchase the Underwritten Shares on the Closing Date or the Option Shares on the Additional Closing Date, as the case may be, as provided herein is subject to the performance by the Company of its covenants and other obligations hereunder and to the following additional conditions:

(a) *Registration Compliance; No Stop Order.* No order suspending the effectiveness of the Registration Statement shall be in effect, and no proceeding for such purpose or pursuant to Section 8A under the Securities Act shall be pending before or threatened by the Commission; the Prospectus and each Issuer Free Writing Prospectus shall have been timely filed with the Commission under the Securities Act (in the case of an Issuer Free Writing Prospectus, to the extent required by Rule 433 under the Securities Act) and in accordance with Section 4(a) hereof; and all requests by the Commission for additional information shall have been complied with to the reasonable satisfaction of the Representatives.

(b) *Representations and Warranties.* The representations and warranties of the Company contained herein shall be true and correct on the date hereof and on and as of the Closing Date or the Additional Closing Date, as the case may be; and the statements of the Company and its officers made in any certificates delivered pursuant to this Agreement shall be true and correct on and as of the Closing Date or the Additional Closing Date, as the case may be.

(c) *No Material Adverse Change.* No event or condition of a type described in Section 3(h) hereof shall have occurred or shall exist, which event or condition is not described in the Pricing Disclosure Package (excluding any amendment or supplement thereto) and the Prospectus (excluding any amendment or supplement thereto) and the effect of which in the judgment of the Representatives makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Shares on the Closing Date or the Additional Closing Date, as the case may be, on the terms and in the manner contemplated by this Agreement, the Pricing Disclosure Package and the Prospectus.

(d) *Officers' Certificate.* The Representatives shall have received on and as of the Closing Date or the Additional Closing Date, as the case may be, a certificate of the chief financial officer or chief accounting officer of the Company and one additional senior executive officer of the Company who is satisfactory to the Representatives (i) confirming that such officers have carefully reviewed the Registration Statement, the Pricing Disclosure Package and the Prospectus and, to the knowledge of such officers, the representations set forth in Sections 3(b) and 3(d) hereof are true and correct, (ii) confirming that the other representations and warranties of the Company in this Agreement are true and correct and that the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date or the Additional Closing Date, as the case may be, and (iii) to the effect set forth in paragraphs (a), (b) and (c) above.

(e) *Comfort Letters.* On the date of this Agreement and on the Closing Date or the Additional Closing Date, as the case may be, each of Ernst & Young LLP and Moss Adams LLP shall have furnished to the Representatives, at the request of the Company, letters, dated the respective dates of delivery thereof and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representatives, containing statements and information of the type customarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus; provided, that the letter delivered on the Closing Date or the Additional Closing Date, as the case may be, shall use a "cut-off" date no more than two business days prior to such Closing Date or such Additional Closing Date, as the case may be.

(f) *Certificate of Chief Financial Officer.* On the date of this Agreement and on the Closing Date or the Additional Closing Date, as the case may be, the Company shall have furnished to the Representatives a certificate, dated the respective dates of delivery thereof and addressed to the Underwriters, of its chief financial officer with respect to certain financial data contained in the Pricing Disclosure Package and the Prospectus, providing "management comfort" with respect to such information, in form and substance reasonably satisfactory to the Representatives.

(g) *Opinion of Intellectual Property Counsel for the Company*. Klarquist Sparkman LLP, as intellectual property counsel for the Company, shall have furnished to the Representatives, at the request of the Company, its written opinion, dated the Closing Date or the Additional Closing Date, as the case may be, and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representatives.

(h) *Opinion and 10b-5 Statement of Counsel for the Company.* Goodwin Procter LLP, counsel for the Company, shall have furnished to the Representatives, at the request of the Company, their written opinion and 10b-5 statement, dated the Closing Date or the Additional Closing Date, as the case may be, and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representatives.

(i) *Opinion and 10b-5 Statement of Counsel for the Underwriters.* The Representatives shall have received on and as of the Closing Date or the Additional Closing Date, as the case may be, an opinion and 10b-5 statement, addressed to the Underwriters, of Latham & Watkins LLP, counsel for the Underwriters, with respect to such matters as the Representatives

may reasonably request, and such counsel shall have received such documents and information as they may reasonably request to enable them to pass upon such matters.

(j) *No Legal Impediment to Issuance and Sale.* No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority that would, as of the Closing Date or the Additional Closing Date, as the case may be, prevent the issuance or sale of the Shares; and no injunction or order of any federal, state or foreign court shall have been issued that would, as of the Closing Date or the Additional Closing Date, as the case may be, prevent the issuance or sale of the Shares.

(k) *Good Standing*. The Representatives shall have received on and as of the Closing Date or the Additional Closing Date, as the case may be, satisfactory evidence of the good standing of the Company in its jurisdiction of organization and good standing in such other jurisdictions as the Representatives may reasonably request, in each case in writing or any standard form of telecommunication from the appropriate governmental authorities of such jurisdictions.

(l) *Exchange Listing.* The Shares to be delivered on the Closing Date or the Additional Closing Date, as the case may be, shall have been approved for listing on the Nasdaq Market, subject to official notice of issuance.

(m) *Lock-up Agreements*. The "lock-up" agreements, each substantially in the form of Exhibit D hereto, between you and substantially all of the securityholders of the Company relating to sales and certain other dispositions of shares of Stock or certain other securities, delivered to you on or before the date hereof, shall be in full force and effect on the Closing Date or the Additional Closing Date, as the case may be.

(n) *Certificate Regarding Beneficial Ownership*. The Representatives shall have received, prior to the date of this Agreement, properly completed and executed Certifications Regarding Beneficial Ownership of Legal Entity Customers, together with copies of identifying documentation.

(o) *Additional Documents.* On or prior to the Closing Date or the Additional Closing Date, as the case may be, the Company shall have furnished to the Representatives such further certificates and documents as the Representatives may reasonably request.

All opinions, letters, certificates and evidence mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Underwriters.

7. Indemnification and Contribution.

(a) *Indemnification of the Underwriters.* The Company agrees to indemnify and hold harmless each Underwriter, its affiliates, directors and officers and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), joint or several, that arise out of, or are based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or caused

by any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact contained in the Prospectus (or any amendment or supplement thereto), any Preliminary Prospectus, any Issuer Free Writing Prospectus, any "issuer information" filed or required to be filed pursuant to Rule 433(d) under the Securities Act, any Written Testing-the-Waters Communication, any road show as defined in Rule 433(h) under the Securities Act (a "road show") or any Pricing Disclosure Package (including any Pricing Disclosure Package that has subsequently been amended), or caused by any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in paragraph (b) below.

(b) *Indemnification of the Company*. Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, its directors, its officers who signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any losses, claims, damages or liabilities that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in the Registration Statement, the Prospectus (or any amendment or supplement thereto), any Preliminary Prospectus, any Issuer Free Writing Prospectus, any Written Testing-the-Waters Communication, any road show or any Pricing Disclosure Package (including any Pricing Disclosure Package that has subsequently been amended), it being understood and agreed upon that the only such information furnished by any Underwriter consists of the following information in the Prospectus furnished on behalf of each Underwriter: the concession figures appearing in the [●] paragraph under the caption "Underwriting" and the information contained in the [●] paragraphs under the caption "Underwriting" relating to price stabilization, short positions and penalty bids.

(c) *Notice and Procedures.* If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnification may be sought pursuant to the preceding paragraphs of this Section 7, such person (the "Indemnified Person") shall promptly notify the person against whom such indemnification may be sought (the "Indemnifying Person") in writing; provided that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under the preceding paragraphs of this Section 7 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided, further, that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have to an Indemnified Person otherwise than under the preceding paragraphs of this Section 7. If any such proceeding shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person (who shall not, without the consent of the Indemnified Person, be counsel to the Indemnifying Person) to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section that the Indemnifying Person may designate in such proceeding and shall pay the reasonably incurred and documented fees and expenses in such proceeding and shall pay the reasonably incurred and documented fees and expenses of such counsel

related to such proceeding, as incurred. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood and agreed that the Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the reasonably incurred and documented fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons, and that all such fees and expenses shall be paid or reimbursed as they are incurred. Any such separate firm for any Underwriter, its affiliates, directors and officers and any control persons of such Underwriter shall be designated in writing by the Representatives and any such separate firm for the Company, its directors, its officers who signed the Registration Statement and any control persons of the Company shall be designated in writing by the Company. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement. Notwithstanding the foregoing sentence, if at any time an Indemnified Person shall have requested that an Indemnifying Person reimburse the Indemnified Person for fees and expenses of counsel as contemplated by this paragraph, the Indemnifying Person shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by the Indemnifying Person of such request and (ii) the Indemnifying Person shall not have reimbursed the Indemnified Person in accordance with such request prior to the date of such settlement. No Indemnifying Person shall, without the written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification could have been sought hereunder by such Indemnified Person, unless such settlement (x) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(d) *Contribution.* If the indemnification provided for in paragraphs (a) or (b) above is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and the Underwriters on the other, from the offering of the Shares or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Company, on the one hand, and the Underwriters on the other, in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand, and the Underwriters on the other, shall be deemed to be in the same respective proportions as the net proceeds (before deducting expenses) received by the Company from the sale of the Shares and the total underwriting discounts and commissions received by the Underwriters in connection therewith, in each case as set forth in the table on the cover of the Prospectus, bear to the aggregate offering price of

the Shares. The relative fault of the Company, on the one hand, and the Underwriters on the other, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) *Limitation on Liability.* The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to paragraph (d) above were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (d) above. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in paragraph (d) above shall be deemed to include, subject to the limitations set forth above, any reasonably incurred and documented legal or other expenses incurred by such Indemnified Person in connection with any such action or claim. Notwithstanding the provisions of paragraphs (d) and (e), in no event shall an Underwriter be required to contribute any amount in excess of the amount by which the total underwriting discounts and commissions received by such Underwriter with respect to the offering of the Shares exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute pursuant to paragraphs (d) and (e) are several in proportion to their respective purchase obligations hereunder and not joint.

(f) *Non-Exclusive Remedies.* The remedies provided for in this Section 7 paragraphs (a) through (e) are not exclusive and shall not limit any rights or remedies which may otherwise be available to any Indemnified Person at law or in equity.

(g) *Directed Share Program Indemnification.* The Company agrees to indemnify and hold harmless the Directed Share Underwriter, its affiliates, directors and officers and each person, if any, who controls the Directed Share Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act (each a "Directed Share Underwriter Entity") from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal fees and other expenses incurred in connection with defending or investigating any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred) (i) caused by any untrue statement or alleged untrue statement of a material fact contained in any material prepared by or with the consent of the Company for distribution to Participants in connection with the Directed Share Program or caused by any omission or alleged omission to state therein a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (ii) caused by the failure of any Participant to pay for and accept delivery of Directed Shares that the Participant agreed to purchase; or (iii) related to, arising out of, or in connection with the Directed Share Program, other than losses, claims, damages or liabilities (or expenses relating thereto) that are finally judicially determined to have resulted from the bad faith or gross negligence of the Directed Share Underwriter Entities.

(h) In case any proceeding (including any governmental investigation) shall be instituted involving any Directed Share Underwriter Entity in respect of which indemnity may be sought pursuant to paragraph (g) above, the Directed Share Underwriter Entity seeking indemnity shall promptly notify the Company in writing and the Company, upon request of the Directed Share Underwriter Entity, shall retain counsel reasonably satisfactory to the Directed Share Underwriter Entity to represent the Directed Share Underwriter Entity and any others the Company may designate in such proceeding and shall pay

the reasonable fees and disbursements of such counsel related to such proceeding. In any such proceeding, any Directed Share Underwriter Entity shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Directed Share Underwriter Entity unless (i) the Company and such Directed Share Underwriter Entity shall have mutually agreed to the retention of such counsel, (ii) the Company has failed within a reasonable time to retain counsel reasonably satisfactory to such Directed Share Underwriter Entity, (iii) the Directed Share Underwriter Entity shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Company or (iv) the named parties to any such proceeding (including any impleaded parties) include both the Company and the Directed Share Underwriter Entity and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. The Company shall not, in respect of the legal expenses of the Directed Share Underwriter Entities in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Directed Share Underwriter Entities. The Company shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent, the Company agrees to indemnify the Directed Share Underwriter Entities from and against any loss or liability by reason of such settlement. Notwithstanding the foregoing sentence, if at any time any Directed Share Underwriter Entity shall have requested the Company to reimburse such Directed Share Underwriter Entity for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph, the Company agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by the Company of the aforesaid request and (ii) the Company shall not have reimbursed such Directed Share Underwriter Entity in accordance with such request prior to the date of such settlement. The Company shall not, without the prior written consent of the Directed Share Underwriter, effect any settlement of any pending or threatened proceeding in respect of which any Directed Share Underwriter Entity is or could have been a party and indemnity could have been sought hereunder by such Directed Share Underwriter Entity, unless (x) such settlement includes an unconditional release of the Directed Share Underwriter Entities from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of the Directed Share Underwriter Entity.

(i) To the extent the indemnification provided for in paragraph (g) above is unavailable to a Directed Share Underwriter Entity or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then the Company in lieu of indemnifying the Directed Share Underwriter Entity thereunder, shall contribute to the amount paid or payable by the Directed Share Underwriter Entity as a result of such losses, claims, damages or liabilities (1) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Directed Share Underwriter Entities on the other hand from the offering of the Directed Shares or (2) if the allocation provided by clause 7(i)(1) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 7(i)(1) above but also the relative fault of the Company on the one hand and of the Directed Share Underwriter Entities on the other hand in connection with any statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Directed Share Underwriter Entities on the other hand in connection with the offering of the Directed Shares shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Directed Shares (before deducting expenses) and the total underwriting discounts and commissions received by the Directed Share Underwriter Entities for the Directed Shares, bear to the aggregate public offering price of the Directed Shares. If the loss, claim, damage or liability is caused by an untrue or alleged untrue statement of material fact or the omission or alleged omission to state a material fact, the

relative fault of the Company on the one hand and the Directed Share Underwriter Entities on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement or the omission or alleged omission relates to information supplied by the Company or by the Directed Share Underwriter Entities and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(j) The Company and the Directed Share Underwriter Entities agree that it would be not just or equitable if contribution pursuant to paragraph (i) above were determined by pro rata allocation (even if the Directed Share Underwriter Entities were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (i) above. The amount paid or payable by the Directed Share Underwriter Entities as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by the Directed Share Underwriter Entities in connection with investigating or defending such any action or claim. Notwithstanding the provisions of paragraph (i) above, no Directed Share Underwriter Entity shall be required to contribute any amount in excess of the amount by which the total price at which the Directed Shares distributed to the public were offered to the public exceeds the amount of any damages that such Directed Share Underwriter Entity has otherwise been required to pay. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in paragraphs (g) through (j) are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(k) The indemnity and contribution provisions contained in paragraphs (g) through (j) shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Directed Share Underwriter Entity or the Company, its officers or directors or any person controlling the Company and (iii) acceptance of and payment for any of the Directed Shares.

8. Effectiveness of Agreement. This Agreement shall become effective as of the date first written above.

9. Termination. This Agreement may be terminated in the absolute discretion of the Representatives, by notice to the Company, if after the execution and delivery of this Agreement and on or prior to the Closing Date or, in the case of the Option Shares, prior to the Additional Closing Date (i) trading generally shall have been suspended or materially limited on or by any of the New York Stock Exchange or the Nasdaq Stock Market; (ii) trading of any securities issued or guaranteed by the Company shall have been suspended on any exchange or in any over-the-counter market; (iii) a general moratorium on commercial banking activities shall have been declared by federal or New York State authorities; or (iv) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis, either within or outside the United States, that, in the judgment of the Representatives, is material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Shares on the Closing Date or the Additional Closing Date, as the case may be, on the terms and in the manner contemplated by this Agreement, the Pricing Disclosure Package and the Prospectus.

10. Defaulting Underwriter.

(a) If, on the Closing Date or the Additional Closing Date, as the case may be, any Underwriter defaults on its obligation to purchase the Shares that it has agreed to purchase hereunder on such date, the non-defaulting Underwriters may in their discretion arrange for the purchase of such Shares by other persons satisfactory to the Company on the terms contained in this Agreement. If, within 36 hours after any such default by any Underwriter, the non-defaulting Underwriters do not arrange for the purchase of such Shares, then the Company shall be entitled to a further period of 36 hours within which to procure other persons satisfactory to the non-defaulting Underwriters to purchase such Shares on such terms. If other persons become obligated or agree to purchase the Shares of a defaulting Underwriter, either the nondefaulting Underwriters or the Company may postpone the Closing Date or the Additional Closing Date, as the case may be, for up to five full business days in order to effect any changes that in the opinion of counsel for the Company or counsel for the Underwriters may be necessary in the Registration Statement and the Prospectus or in any other document or arrangement, and the Company agrees to promptly prepare any amendment or supplement to the Registration Statement and the Prospectus that effects any such changes. As used in this Agreement, the term "Underwriter" includes, for all purposes of this Agreement unless the context otherwise requires, any person not listed in Schedule 1 hereto that, pursuant to this Section 10, purchases Shares that a defaulting Underwriter agreed but failed to purchase.

(b) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by the non-defaulting Underwriters and the Company as provided in paragraph (a) above, the aggregate number of Shares that remain unpurchased on the Closing Date or the Additional Closing Date, as the case may be, does not exceed one-eleventh of the aggregate number of Shares to be purchased on such date, then the Company shall have the right to require each non-defaulting Underwriter to purchase the number of Shares that such Underwriter agreed to purchase hereunder on such date plus such Underwriter's pro rata share (based on the number of Shares that such Underwriter agreed to purchase on such date) of the Shares of such defaulting Underwriter or Underwriters for which such arrangements have not been made.

(c) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by the non-defaulting Underwriters and the Company as provided in paragraph (a) above, the aggregate number of Shares that remain unpurchased on the Closing Date or the Additional Closing Date, as the case may be, exceeds one-eleventh of the aggregate amount of Shares to be purchased on such date, or if the Company shall not exercise the right described in paragraph (b) above, then this Agreement or, with respect to any Additional Closing Date, the obligation of the Underwriters to purchase Shares on the Additional Closing Date, as the case may be, shall terminate without liability on the part of the non-defaulting Underwriters. Any termination of this Agreement pursuant to this Section 10 shall be without liability on the part of the Company, except that the Company will continue to be liable for the payment of expenses as set forth in Section 11 hereof and except that the provisions of Section 7 hereof shall not terminate and shall remain in effect.

(d) Nothing contained herein shall relieve a defaulting Underwriter of any liability it may have to the Company or any non-defaulting Underwriter for damages caused by its default.

11. Payment of Expenses.

(a) Whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, the Company will pay or cause to be paid all costs and expenses incident to the

performance of its obligations hereunder, including without limitation, (i) the costs incident to the authorization, issuance, sale, preparation and delivery of the Shares and any taxes payable in that connection; (ii) the costs incident to the preparation, printing and filing under the Securities Act of the Registration Statement, the Preliminary Prospectus, any Issuer Free Writing Prospectus, any Pricing Disclosure Package and the Prospectus (including all exhibits, amendments and supplements thereto) and the distribution thereof; (iii) the fees and expenses of the Company's counsel and independent accountants; (iv) the fees and expenses incurred in connection with the registration or qualification and determination of eligibility for investment of the Shares under the laws of such jurisdictions as the Representatives may designate and the preparation, printing and distribution of a Blue Sky Memorandum (including the related fees and expenses of counsel for the Underwriters); (v) the cost of preparing stock certificates; (vi) the costs and charges of any transfer agent and any registrar; (vii) all expenses and application fees incurred in connection with any filing with, and clearance of the offering by, FINRA; (viii) all expenses incurred by the Company in connection with any "road show" presentation to potential investors, provided that the aggregate amount payable by the Company pursuant to clauses (iv) and (vii) shall not exceed $50,000 (excluding filing fees); (x) all expenses and application fees related to the listing of the Shares on the Nasdaq Market and (xi) all of the fees and disbursements of counsel incurred by the Underwriters in connection with the Directed Share Program and stamp duties, similar taxes or duties or other taxes, if any, incurred by the Underwriters in connection with the Directed Share Program.

(b) If (i) this Agreement is terminated pursuant to Section 9, (ii) the Company for any reason fails to tender the Shares for delivery to the Underwriters or (iii) the Underwriters decline to purchase the Shares for any reason permitted under this Agreement, the Company agrees to reimburse the Underwriters for all reasonably incurred and documented out-of-pocket costs and expenses (including the fees and expenses of their counsel) reasonably incurred by the Underwriters in connection with this Agreement and the offering contemplated hereby. For the avoidance of doubt, it is understood that the Company shall not pay or reimburse any costs, fees or expenses incurred by any Underwriter that defaults on its obligations to purchase the Shares.

12. Persons Entitled to Benefit of Agreement. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers and directors and any controlling persons referred to herein, and the affiliates of each Underwriter referred to in Section 7 hereof. Nothing in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein. No purchaser of Shares from any Underwriter shall be deemed to be a successor merely by reason of such purchase.

13. Survival. The respective indemnities, rights of contribution, representations, warranties and agreements of the Company and the Underwriters contained in this Agreement or made by or on behalf of the Company or the Underwriters pursuant to this Agreement or any certificate delivered pursuant hereto shall survive the delivery of and payment for the Shares and shall remain in full force and effect, regardless of any termination of this Agreement or any investigation made by or on behalf of the Company or the Underwriters or the directors, officers, controlling persons or affiliates referred to in Section 7 hereof.

14. Certain Defined Terms. For purposes of this Agreement, (a) except where otherwise expressly provided, the term "affiliate" has the meaning set forth in Rule 405 under the Securities Act; (b) the term "business day" means any day other than a day on which banks are permitted or required to be closed in New York City; (c) the term "subsidiary" has the meaning set forth in Rule 405 under the

Securities Act; and (d) the term “significant subsidiary” has the meaning set forth in Rule 1-02 of Regulation S-X under the Exchange Act.

15. Compliance with USA Patriot Act. In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Underwriters are required to obtain, verify and record information that identifies their respective clients, including the Company, which information may include the name and address of their respective clients, as well as other information that will allow the Underwriters to properly identify their respective clients.

16. Miscellaneous.

(a) *Notices.* All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted and confirmed by any standard form of telecommunication. Notices to the Underwriters shall be given to the Representatives c/o J.P. Morgan Securities LLC, 383 Madison Avenue, New York, New York 10179 (fax: (212) 622-8358), c/o Credit Suisse Securities (USA) LLC, Eleven Madison Avenue, New York, New York 10010-3629, Attention: IB-CM&A Legal (fax: (212) 325-4296), c/o BofA Securities, Inc., One Bryant Park, New York, New York 10036, Attention: Syndicate Department (fax: (646) 855-3073) with a copy to ECM Legal (fax: (212) 230-8730), c/o Cowen and Company, LLC, 599 Lexington Avenue, New York, New York 10022 and c/o Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, Suite 3700, San Francisco, CA 94104. Notices to the Company shall be given to it at Absci Corporation, 18105 SE Mill Plain Blvd., Vancouver, Washington 98683, and a copy (which shall not constitute notice) to Goodwin Procter LLP, 3 Embarcadero Center, San Francisco, California 94111, Attention: Kingsley Taft and Maggie Wong.

(b) *Governing Law.* This Agreement and any claim, controversy or dispute arising under or related to this Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(c) *Submission to Jurisdiction*. The Company hereby submits to the exclusive jurisdiction of the U.S. federal and New York state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. The Company waives any objection which it may now or hereafter have to the laying of venue of any such suit or proceeding in such courts. The Company agrees that final judgment in any such suit, action or proceeding brought in such court shall be conclusive and binding upon the Company and may be enforced in any court to the jurisdiction of which Company is subject by a suit upon such judgment.

(d) *Waiver of Jury Trial.* Each of the parties hereto hereby waives any right to trial by jury in any suit or proceeding arising out of or relating to this Agreement.

(e) *Recognition of the U.S. Special Resolution Regimes.*

(i) In the event that any Underwriter that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(ii) In the event that any Underwriter that is a Covered Entity or a BHC Act Affiliate of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime,

Default Rights under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

As used in this Section 16(e):

"BHC Act Affiliate" has the meaning assigned to the term "affiliate" in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

"Covered Entity" means any of the following:

(i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"U.S. Special Resolution Regime" means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

(f) *Counterparts.* This Agreement may be signed in counterparts (which may include counterparts delivered by any standard form of telecommunication), each of which shall be an original and all of which together shall constitute one and the same instrument. Electronic signatures complying with the New York Electronic Signatures and Records Act (N.Y. State Tech. §§ 301-309), as amended from time to time, or other applicable law will be deemed original signatures for purposes of this Agreement. Transmission by telecopy, electronic mail or other transmission method of an executed counterpart of this Agreement will constitute due and sufficient delivery of such counterpart.

(g) *Amendments or Waivers.* No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

Headings. The headings herein are included for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.If the foregoing is in accordance with your understanding, please indicate your acceptance of this Agreement by signing in the space provided below.

Very truly yours,

ABSCI CORPORATION

By: _____

Name:

Title:

Accepted: As of the date first written above

J.P. MORGAN SECURITIES LLC
CREDIT SUISSE SECURITIES (USA) LLC
BOFA SECURITIES, INC.
COWEN AND COMPANY, LLC
STIFEL, NICOLAUS & COMPANY, INCORPORATED

Each for itself and on behalf of the
several Underwriters listed
in Schedule 1 hereto.

J.P. MORGAN SECURITIES LLC

By: _____
Authorized Signatory
Name:
Title:

CREDIT SUISSE SECURITIES (USA) LLC

By: _____
Authorized Signatory
Name:
Title:

BOFA SECURITIES, INC.

By: _____
Authorized Signatory
Name:
Title:

COWEN AND COMPANY, LLC

By: _____
Authorized Signatory
Name:
Title:

STIFEL, NICOLAUS & COMPANY, INCORPORATED

By: _____
Authorized Signatory
Name:
Title:

Schedule 1

Underwriter	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	

a. **Pricing Disclosure Package**

[To list each Issuer Free Writing Prospectus to be included in the Pricing Disclosure Package]

b. **Pricing Information Provided by Underwriters**

[Underwritten Shares: [●] shares

Option Shares: [●] shares

Public Offering Price Per Share: $[●]]

Annex B

Written Testing-the-Waters Communications

Annex C

Absci Corporation

Pricing Term Sheet

[●]

Exhibit A

Absci Corporation

Testing-the-Waters Authorization Letter

[●], 2021

J.P. Morgan Securities LLC
Credit Suisse Securities (USA) LLC
BofA Securities, Inc.
Cowen and Company, LLC
Stifel, Nicolaus & Company, Incorporated

c/o J.P. Morgan Securities LLC
383 Madison Avenue
New York, NY 10179

c/o Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, NY 10010

c/o BofA Securities, Inc.
One Bryant Park
New York, New York 10036

c/o Cowen and Company, LLC
599 Lexington Avenue, 20th Floor
New York, NY 10022

c/o Stifel, Nicolaus & Company, Incorporated
One Montgomery Street, Suite 3700
San Francisco, CA 94104

In reliance on Section 5(d) or Rule 163B of the Securities Act of 1933, as amended (the "Act"), Absci Corporation (the "Issuer") hereby authorizes each of J.P. Morgan Securities LLC ("J.P. Morgan"), Credit Suisse Securities (USA) LLC ("Credit Suisse"), BofA Securities, Inc. ("BofA"), Cowen and Company, LLC ("Cowen") and Stifel, Nicolaus & Company, Incorporated ("Stifel") and the affiliates and respective employees of each, to engage on behalf of the Issuer in oral and written communications with potential investors that are "qualified institutional buyers", as defined in Rule 144A under the Act, or institutions that are "accredited investors", within the meaning of Rule 501(a)(1), (a)(2), (a)(3), (a)(7), (a)(8), (a)(9) or (a)(12) under the Act, to determine whether such investors might have an interest in the Issuer's contemplated initial public offering ("Testing-the-Waters Communications"). A "Written Testing-the Waters Communication" means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Act. Each of J.P. Morgan, Credit Suisse, BofA, Cowen and Stifel, individually and not jointly, agrees that it shall not distribute any Written Testing-the-Waters Communication that has not been approved by the Issuer.

The Issuer represents that (i) except as disclosed to J.P. Morgan, Credit Suisse, BofA, Cowen and Stifel, it has not alone engaged in any Testing-the-Waters Communication, and (ii) it has not authorized anyone other than J.P. Morgan, Credit Suisse, BofA, Cowen and Stifel to engage in Testing-the-Waters Communications. The Issuer agrees that it shall not authorize any other third party to engage on its behalf in oral or written communications with potential investors without the written consent of J.P. Morgan,

Credit Suisse, BofA, Cowen and Stifel. The issuer also represents that it is an “emerging growth company” as defined in Section 2(a)(19) of the Act (“Emerging Growth Company”) and agrees to promptly notify J.P. Morgan, Credit Suisse, BofA, Cowen and Stifel in writing if the Issuer hereafter ceases to be an Emerging Growth Company while this authorization is in effect. If at any time following the distribution of any Written Testing-the-Waters Communication there occurs an event or development as a result of which such Written Testing-the-Waters Communication included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Issuer will promptly notify J.P. Morgan, Credit Suisse, BofA, Cowen and Stifel and will promptly amend or supplement, at its own expense, such Written Testing-the-Waters Communication to eliminate or correct such untrue statement or omission.

Nothing in this authorization is intended to limit or otherwise affect the ability of J.P. Morgan, Credit Suisse, BofA, Cowen and Stifel and the affiliates and respective employees of each, to engage in communications in which they could otherwise lawfully engage in the absence of this authorization, including, without limitation, any written communication containing only one or more of the statements specified under Rule 134(a) under the Act. This authorization shall remain in effect until the Issuer has provided to J.P. Morgan, Credit Suisse, BofA, Cowen and Stifel a written notice revoking this authorization. All notices as described herein shall be sent by email to the attention of Brad Benini at bradley.l.benini@jpmchase.com, Rebecca Kotkin at rebecca.kotkin@credit-suisse.com, Glenn Silverstein at glenn.silverstein@bofa.com, Jason Fenton at jason.fenton@cowen.com and Nick Oust at noust@stifel.com.

[Remainder of Page Intentionally Left Blank]

Very truly yours,

Absci Corporation

By: _____
Name:
Title:

Exhibit B

Form of Waiver of Lock-up

Absci Corporation
Public Offering of Common Stock

, 2021

[Name and Address of
Officer or Director
Requesting Waiver]

Dear Mr./Ms. [Name]:

This letter is being delivered to you in connection with the offering by Absci Corporation (the "Company") of _____ shares of common stock, $0.0001 par value (the "Common Stock"), of the Company and the lock-up letter dated_____, 20__ (the "Lock-up Letter"), executed by you in connection with such offering, and your request for a [waiver] [release] dated_____, 20__, with respect to _____ shares of Common Stock (the "Shares").

J.P. Morgan Securities LLC, Credit Suisse Securities (USA) LLC, BofA Securities, Inc., Cowen and Company, LLC and Stifel, Nicolaus & Company, Incorporated hereby agree to [waive] [release] the transfer restrictions set forth in the Lock-up Letter, but only with respect to the Shares, effective _____, 20__; provided, however, that such [waiver] [release] is conditioned on the Company announcing the impending [waiver] [release] by press release through a major news service at least two business days before effectiveness of such [waiver] [release]. This letter will serve as notice to the Company of the impending [waiver] [release].

Except as expressly [waived] [released] hereby, the Lock-up Letter shall remain in full force and effect.

[*Signature page follows*]

Yours very truly,

J.P. MORGAN SECURITIES LLC

By: _____
Authorized Signatory
Name:
Title:

CREDIT SUISSE SECURITIES (USA) LLC

By: _____
Authorized Signatory
Name:
Title:

BOFA SECURITIES, INC.

By: _____
Authorized Signatory
Name:
Title:

COWEN AND COMPANY, LLC

By: _____
Authorized Signatory
Name:
Title:

STIFEL, NICOLAUS & COMPANY, INCORPORATED

By: _____
Authorized Signatory
Name:
Title:

cc: Absci Corporation

Exhibit C

Form of Press Release

Absci Corporation
[Date]

Absci Corporation ("Company") announced today that J.P. Morgan Securities LLC, Credit Suisse Securities (USA) LLC, BofA Securities, Inc., Cowen and Company, LLC and Stifel, Nicolaus & Company, Incorporated, book-running managers in the Company's recent public sale of shares of common stock, are [waiving] [releasing] a lock-up restriction with respect to shares of the Company's common stock held by [certain officers or directors] [an officer or director] of the Company. The [waiver] [release] will take effect on _____, 20__, and the shares may be sold on or after such date.

This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.

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-l 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-l 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-l 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-l 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) $ 1,176996 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-l 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-l 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 lull. 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.l(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^{th}) 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^{th}) 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 MClain

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-l 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-l 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-l 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-l 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

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 THIRD DAY OF JUNE, A.D. 2021, AT 3:09 O CLOCK P.M.

/s/ Jeffrey W

Secretary O

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 oflncorporation as follows:

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 () 23,710,000 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 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 June 3, 2021.

ABSCI CORPORATION

By: /s/ Sean McClain

Name: Sean McClain

Title: President and Chief Executive Officer

[Signature Page to Certificate of Amendment]

CERTIFICATE OF AMENDMENT
TO THE
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
ABSCI CORPORATION

(Pursuant to Section 242 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 (the "***Corporation***"), and that the Corporation was originally incorporated pursuant to the General Corporation Law on October 5, 2020 under the name AbSci Corporation.

2. That the Board of Directors duly adopted resolutions proposing to amend the Amended and Restated Certificate of Incorporation, as amended, of the Corporation, declaring said amendment to be advisable and in the best interests of the Corporation and its stockholders, and authorizing the appropriate officers of the Corporation to solicit the consent of the stockholders therefor, which resolutions setting forth the proposed amendment are substantially as follows:

The Amended and Restated Certificate of Incorporation, as amended, of the Corporation is hereby amended by deleting the first paragraph of Article FOURTH and inserting the following in lieu thereof, so that, as amended, the opening paragraphs of Article FOURTH shall read in their entirety as follows:

"FOURTH: The total number of shares of all classes of stock which the Corporation shall have authority to issue is (i) 78,320,000 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**").

Effective upon the filing of this Certificate of Amendment of the Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware (the "**Effective Time**"), each one (1) share of Common Stock then issued and outstanding or held in the treasury of the Corporation immediately prior to the Effective Time shall automatically be split into 3.3031 shares of Common Stock, without any further action by the holders of such shares (the "**Stock Split**"). The Stock Split will be effected on a certificate-by-certificate basis, and any fractional shares resulting from the Stock Split shall be rounded down to the nearest whole share on a certificate-by-certificate basis. No fractional shares shall be issued in connection with the Stock Split. In lieu of any fractional shares to which a holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a share of Common Stock as determined in good faith by the Corporation's Board of Directors. The Stock Split shall occur automatically without any further action by the holders of the shares of

Common Stock and Preferred Stock affected thereby. All rights, preferences and privileges of the Common Stock and the Preferred Stock shall be appropriately adjusted to reflect the Stock Split in accordance with this Amended and Restated Certificate of Incorporation."

3. The foregoing amendment was duly adopted, in accordance with the provisions of Sections 141(f), 228 and 242 of the General Corporation Law by the Board of Directors and the stockholders of the Corporation.

(signature page follows)

IN WITNESS WHEREOF, this Certificate of Amendment to the Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this Corporation on July ___, 2021.

ABSCI CORPORATION

By:	/s/ Sean McClain
Name:	Sean McClain
Title:	President and Chief Executive Officer

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

OF

ABSCI CORPORATION

Absci Corporation, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certifies as follows:

1. The name of the Corporation is Absci Corporation. The date of the filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware was October 5, 2020 (the "Original Certificate"). The name under which the Corporation filed the Original Certificate was AbSci Corporation.

2. This Amended and Restated Certificate of Incorporation (the "Certificate") amends, restates and integrates the provisions of the Amended and Restated Certificate of Incorporation that was filed with the Secretary of State of the State of Delaware that was filed on October 16, 2020 and subsequently amended on February 18, 2021, June 3, 2021 and July [__], 2021 (the "Amended and Restated Certificate"), and was duly adopted in accordance with the provisions of Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware (the "DGCL").

3. The text of the Amended and Restated Certificate is hereby amended and restated in its entirety to provide as herein set forth in full.

ARTICLE I

The name of the Corporation is Absci Corporation.

ARTICLE II

The address of the Corporation's registered office in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street in the City of Wilmington, County of New Castle, Zip Code 19801. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL.

ARTICLE IV

CAPITAL STOCK

The total number of shares of capital stock which the Corporation shall have authority to issue is Five Hundred Ten Million (510,000,000), of which (i) Five Hundred Million (500,000,000) shares shall be a class designated as common stock, par value $0.0001 per share (the "Common Stock"), and (ii) Ten Million (10,000,000) shares shall be a class designated as undesignated preferred stock, par value $0.0001 per share (the "Undesignated Preferred Stock").

Except as otherwise provided in any certificate of designations of any series of Undesignated Preferred Stock, the number of authorized shares of the class of Common Stock or Undesignated Preferred Stock may from time to time be increased or decreased (but not below the number of shares of such class outstanding) by the affirmative vote of the holders of a majority in voting power of the outstanding shares of capital stock of the Corporation irrespective of the provisions of Section 242(b)(2) of the DGCL.

The powers, preferences and rights of, and the qualifications, limitations and restrictions upon, each class or series of stock shall be determined in accordance with, or as set forth below in, this Article IV.

A. COMMON STOCK

Subject to all the rights, powers and preferences of the Undesignated Preferred Stock and except as provided by law or in this Certificate (or in any certificate of designations of any series of Undesignated Preferred Stock):

(a) the holders of the Common Stock shall have the exclusive right to vote for the election of directors of the Corporation (the "Directors") and on all other matters requiring stockholder action, each outstanding share entitling the holder thereof to one vote on each matter properly submitted to the stockholders of the Corporation for their vote; 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 Certificate (or on any amendment to a certificate of designations of any series of Undesignated Preferred Stock) that alters or changes the powers, preferences, rights or other terms of one or more outstanding series of Undesignated Preferred Stock if the holders of such affected series of Undesignated Preferred Stock are entitled to vote, either separately or together with the holders of one or more other such series, on such amendment pursuant to this Certificate (or pursuant to a certificate of designations of any series of Undesignated Preferred Stock) or pursuant to the DGCL;

(b) dividends may be declared and paid or set apart for payment upon the Common Stock out of any assets or funds of the Corporation legally available for the payment of dividends, but only when and as declared by the Board of Directors or any authorized committee thereof; and

(c) upon the voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the net assets of the Corporation shall be distributed pro rata to the holders of the Common Stock.

B. UNDESIGNATED PREFERRED STOCK

The Board of Directors or any authorized committee thereof is expressly authorized, to the fullest extent permitted by law, to provide by resolution or resolutions for, out of the unissued shares of Undesignated Preferred Stock, the issuance of the shares of Undesignated Preferred Stock in one or more series of such stock, and by filing a certificate of designations pursuant to applicable law of the State of Delaware, to establish or change from time to time the number of shares of each such series, and to fix the designations, powers, including voting powers, full or limited, or no voting powers, preferences and the relative, participating, optional or other special rights of the shares of each series and any qualifications, limitations and restrictions thereof.

ARTICLE V

STOCKHOLDER ACTION

1. Action without Meeting. Any action required or permitted to be taken by the stockholders of the Corporation at any annual or special meeting of stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders and may not be taken or effected by a written consent of stockholders in lieu thereof. Notwithstanding anything herein to the contrary, the affirmative vote of not less than 75% of the outstanding shares of capital stock entitled to vote thereon, and the affirmative vote of not less than 75% of the outstanding shares of each class entitled to vote thereon as a class, shall be required to amend or repeal any provision of this Article V, Section 1.

2. Special Meetings. Except as otherwise required by statute and subject to the rights, if any, of the holders of any series of Undesignated Preferred Stock, special meetings of the stockholders of the Corporation may be called only by the Board of Directors acting pursuant to a resolution approved by the affirmative vote of a majority of the Directors then in office, and special meetings of stockholders may not be called by any other person or persons. Only those matters set forth in the notice of the special meeting may be considered or acted upon at a special meeting of stockholders of the Corporation.

ARTICLE VI

DIRECTORS

1. General. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors except as otherwise provided herein or required by law.

2. Election of Directors. Election of Directors need not be by written ballot unless the Bylaws of the Corporation (the "Bylaws") shall so provide.

3. Number of Directors; Term of Office. The number of Directors of the Corporation shall be fixed solely and exclusively by resolution duly adopted from time to time by the Board of Directors. The Directors, other than those who may be elected by the holders of any series of Undesignated Preferred Stock, shall be classified, with respect to the term for which they severally hold office, into three classes. The Board of Directors shall assign Directors into classes at the time the classification becomes effective. The initial Class I Directors shall serve for a term expiring at the first annual meeting of stockholders to be held after the filing of this Certificate, the initial Class II Directors shall serve for a term expiring at the second annual meeting of stockholders to be held after the filing of this Certificate, and the initial Class III Directors shall serve for a term expiring at the third annual meeting of stockholders to be held after the filing of this Certificate. At each annual meeting of stockholders, Directors elected to succeed those Directors whose terms expire shall be elected for a term of office to expire at the third succeeding annual meeting of stockholders after their election. Notwithstanding the foregoing, the Directors elected to each class shall hold office until their successors are duly elected and qualified or until their earlier resignation, death or removal.

Notwithstanding the foregoing, whenever, pursuant to the provisions of Article IV of this Certificate, the holders of any one or more series of Undesignated Preferred Stock shall have the right, voting separately as a series or together with holders of other such series, to elect Directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of this Certificate and any certificate of designations applicable to such series.

Notwithstanding anything herein to the contrary, the affirmative vote of not less than 75% of the outstanding shares of capital stock entitled to vote thereon, and the affirmative vote of not less than 75% of the outstanding shares of each class entitled to vote thereon as a class, shall be required to amend or repeal any provision of this Article VI, Section 3.

4. Vacancies. Subject to the rights, if any, of the holders of any series of Undesignated Preferred Stock to elect Directors and to fill vacancies in the Board of Directors relating thereto, any and all vacancies in the Board of Directors, however occurring, including, without limitation, by reason of an increase in the size of the Board of Directors, or the death, resignation, disqualification or removal of a Director, shall be filled solely and exclusively by the affirmative vote of a majority of the remaining Directors then in office, even if less than a quorum of the Board of Directors, and not by the stockholders. Any Director appointed in

accordance with the preceding sentence shall hold office for the remainder of the full term of the class of Directors in which the new directorship was created or the vacancy occurred and until such Director's successor shall have been duly elected and qualified or until his or her earlier resignation, death or removal. Subject to the rights, if any, of the holders of any series of Undesignated Preferred Stock to elect Directors, when the number of Directors is increased or decreased, the Board of Directors shall, subject to Article VI.3 hereof, determine the class or classes to which the increased or decreased number of Directors shall be apportioned; provided, however, that no decrease in the number of Directors shall shorten the term of any incumbent Director. In the event of a vacancy in the Board of Directors, the remaining Directors, except as otherwise provided by law, shall exercise the powers of the full Board of Directors until the vacancy is filled.

5. Removal. Subject to the rights, if any, of any series of Undesignated Preferred Stock to elect Directors and to remove any Director whom the holders of any such series have the right to elect, any Director (including persons elected by Directors to fill vacancies in the Board of Directors) may be removed from office (i) only with cause and (ii) only by the affirmative vote of the holders of 75% or more of the outstanding shares of capital stock then entitled to vote at an election of Directors. At least forty-five (45) days prior to any annual or special meeting of stockholders at which it is proposed that any Director be removed from office, written notice of such proposed removal and the alleged grounds thereof shall be sent to the Director whose removal will be considered at the meeting.

ARTICLE VII

LIMITATION OF LIABILITY

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, except for liability (a) for any breach of the Director's duty of loyalty to the Corporation or its stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) under Section 174 of the DGCL or (d) for any transaction from which the Director derived an improper personal benefit. If the DGCL is amended after the effective date of this Certificate 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 DGCL, as so amended.

Any amendment, repeal or modification of this Article VII by either of (i) the stockholders of the Corporation or (ii) an amendment to the DGCL, shall not adversely affect any right or protection existing at the time of such amendment, repeal or modification with respect to any acts or omissions occurring before such amendment, repeal or modification of a person serving as a Director at the time of such amendment, repeal or modification.

Notwithstanding anything herein to the contrary, the affirmative vote of not less than 75% of the outstanding shares of capital stock entitled to vote thereon, and the affirmative vote

of not less than 75% of the outstanding shares of each class entitled to vote thereon as a class, shall be required to amend or repeal any provision of this Article VII.

ARTICLE VIII

AMENDMENT OF BYLAWS

1. Amendment by Directors. Except as otherwise provided by law, the Bylaws of the Corporation may be amended or repealed by the Board of Directors by the affirmative vote of a majority of the Directors then in office.

2. Amendment by Stockholders. Except as otherwise provided therein, the Bylaws of the Corporation may be amended or repealed at any annual meeting of stockholders, or special meeting of stockholders called for such purpose, by the affirmative vote of at least 75% of the outstanding shares of capital stock entitled to vote on such amendment or repeal, voting together as a single class; provided, however, that if the Board of Directors recommends that stockholders approve such amendment or repeal at such meeting of stockholders, such amendment or repeal shall only require the affirmative vote of the majority of the outstanding shares of capital stock entitled to vote on such amendment or repeal, voting together as a single class.

ARTICLE IX

AMENDMENT OF CERTIFICATE OF INCORPORATION

The Corporation reserves the right to amend or repeal this Certificate in the manner now or hereafter prescribed by statute and this Certificate, and all rights conferred upon stockholders herein are granted subject to this reservation. Except as otherwise required by this Certificate or by law, whenever any vote of the holders of capital stock of the Corporation is required to amend or repeal any provision of this Certificate, such amendment or repeal shall require the affirmative vote of the majority of the outstanding shares of capital stock entitled to vote on such amendment or repeal, and the affirmative vote of the majority of the outstanding shares of each class entitled to vote thereon as a class, at a duly constituted meeting of stockholders called expressly for such purpose.

[End of Text]

THIS AMENDED AND RESTATED CERTIFICATE OF INCORPORATION is executed as of this ___ day of _____, 2021.

ABSCI CORPORATION

By: _____

Name: Sean McClain

Title: Chief Executive Officer

AMENDED AND RESTATED

BYLAWS

OF

ABSCI CORPORATION

(the "Corporation")

ARTICLE I

Stockholders

SECTION 1. Annual Meeting. The annual meeting of stockholders (any such meeting being referred to in these Bylaws as an "Annual Meeting") shall be held at the hour, date and place within or without the United States which is fixed by the Corporation's Board of Directors (the "Board of Directors"), which time, date and place may subsequently be changed at any time by vote of the Board of Directors. If no Annual Meeting has been held for a period of thirteen (13) months after the Corporation's last Annual Meeting, a special meeting in lieu thereof may be held, and such special meeting shall have, for the purposes of these Bylaws or otherwise, all the force and effect of an Annual Meeting. Any and all references hereafter in these Bylaws to an Annual Meeting or Annual Meetings also shall be deemed to refer to any special meeting(s) in lieu thereof.

SECTION 2. Notice of Stockholder Business and Nominations.

(a) Annual Meetings of Stockholders.

(1) Nominations of persons for election to the Board of Directors and the proposal of other business to be considered by the stockholders may be brought before an Annual Meeting (i) by or at the direction of the Board of Directors or (ii) by any stockholder of the Corporation who was a stockholder of record at the time of giving of notice provided for in this Bylaw, who is entitled to vote at the meeting, who is present (in person or by proxy) at the meeting and who complies with the notice procedures set forth in this Bylaw as to such nomination or business. For the avoidance of doubt, the foregoing clause (ii) shall be the exclusive means for a stockholder to bring nominations or business properly before an Annual Meeting (other than matters properly brought under Rule 14a-8 (or any successor rule) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), and such stockholder must comply with the notice and other procedures set forth in Article I, Section 2(a)(2) and (3) of this Bylaw to bring such nominations or business properly before an Annual Meeting. In addition to the other requirements set forth in this Bylaw, for any proposal of business to be considered at an Annual Meeting, it must be a proper subject for action by stockholders of the Corporation under Delaware law.

(2) For nominations or other business to be properly brought before an Annual Meeting by a stockholder pursuant to clause (ii) of Article I, Section 2(a)(1) of this Bylaw, the stockholder must (i) have given Timely Notice (as defined below) thereof

in writing to the Secretary of the Corporation, (ii) have provided any updates or supplements to such notice at the times and in the forms required by this Bylaw and (iii) together with the beneficial owner(s), if any, on whose behalf the nomination or business proposal is made, have acted in accordance with the representations set forth in the Solicitation Statement (as defined below) required by this Bylaw. To be timely, a stockholder's written notice shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90th) day nor earlier than the close of business on the one hundred twentieth (120th) day prior to the one-year anniversary of the preceding year's Annual Meeting; provided, however, that in the event the Annual Meeting is first convened more than thirty (30) days before or more than sixty (60) days after such anniversary date, or if no Annual Meeting were held in the preceding year, notice by the stockholder to be timely must be received by the Secretary of the Corporation not later than the close of business on the later of the ninetieth (90th) day prior to the scheduled date of such Annual Meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made (such notice within such time periods shall be referred to as "Timely Notice"). Notwithstanding anything to the contrary provided herein, for the first Annual Meeting following the initial public offering of common stock of the Corporation, a stockholder's notice shall be timely if received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the later of the ninetieth (90th) day prior to the scheduled date of such Annual Meeting or the tenth (10th) day following the day on which public announcement of the date of such Annual Meeting is first made or sent by the Corporation. Such stockholder's Timely Notice shall set forth:

(A) as to each person whom the stockholder proposes to nominate for election or reelection as a director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected);

(B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting, and any material interest in such business of each Proposing Person (as defined below);

(C) (i) the name and address of the stockholder giving the notice, as they appear on the Corporation's books, and the names and addresses of the other Proposing Persons (if any) and (ii) as to each Proposing Person, the following information: (a) the class or series and number of all shares of capital stock of the Corporation which are, directly or indirectly, owned beneficially or of record by such Proposing Person or any of its affiliates or associates (as such terms are defined in Rule 12b-2 promulgated under the Exchange Act), including any shares of any class or series of capital stock of the Corporation as to which such Proposing Person or any of its affiliates or associates has a right to acquire beneficial ownership at any time in the future, (b) all Synthetic Equity Interests

(as defined below) in which such Proposing Person or any of its affiliates or associates, directly or indirectly, holds an interest including a description of the material terms of each such Synthetic Equity Interest, including without limitation, identification of the counterparty to each such Synthetic Equity Interest and disclosure, for each such Synthetic Equity Interest, as to (x) whether or not such Synthetic Equity Interest conveys any voting rights, directly or indirectly, in such shares to such Proposing Person, (y) whether or not such Synthetic Equity Interest is required to be, or is capable of being, settled through delivery of such shares and (z) whether or not such Proposing Person and/or, to the extent known, the counterparty to such Synthetic Equity Interest has entered into other transactions that hedge or mitigate the economic effect of such Synthetic Equity Interest, (c) any proxy (other than a revocable proxy given in response to a public proxy solicitation made pursuant to, and in accordance with, the Exchange Act), agreement, arrangement, understanding or relationship pursuant to which such Proposing Person has or shares a right to, directly or indirectly, vote any shares of any class or series of capital stock of the Corporation, (d) any rights to dividends or other distributions on the shares of any class or series of capital stock of the Corporation, directly or indirectly, owned beneficially by such Proposing Person that are separated or separable from the underlying shares of the Corporation, and (e) any performance-related fees (other than an asset based fee) that such Proposing Person, directly or indirectly, is entitled to based on any increase or decrease in the value of shares of any class or series of capital stock of the Corporation or any Synthetic Equity Interests (the disclosures to be made pursuant to the foregoing clauses (a) through (e) are referred to, collectively, as "Material Ownership Interests") and (iii) a description of the material terms of all agreements, arrangements or understandings (whether or not in writing) entered into by any Proposing Person or any of its affiliates or associates with any other person for the purpose of acquiring, holding, disposing or voting of any shares of any class or series of capital stock of the Corporation;

(D) (i) a description of all agreements, arrangements or understandings by and among any of the Proposing Persons, or by and among any Proposing Persons and any other person (including with any proposed nominee(s)), pertaining to the nomination(s) or other business proposed to be brought before the meeting of stockholders (which description shall identify the name of each other person who is party to such an agreement, arrangement or understanding), and (ii) identification of the names and addresses of other stockholders (including beneficial owners) known by any of the Proposing Persons to support such nominations or other business proposal(s), and to the extent known the class and number of all shares of the Corporation's capital stock owned beneficially or of record by such other stockholder(s) or other beneficial owner(s); and

(E) a statement whether or not the stockholder giving the notice and/or the other Proposing Person(s), if any, will deliver a proxy statement and form of proxy to holders of, in the case of a business proposal, at least the percentage of

voting power of all of the shares of capital stock of the Corporation required under applicable law to approve the proposal or, in the case of a nomination or nominations, at least the percentage of voting power of all of the shares of capital stock of the Corporation reasonably believed by such Proposing Person to be sufficient to elect the nominee or nominees proposed to be nominated by such stockholder (such statement, the "Solicitation Statement").

For purposes of this Article I of these Bylaws, the term "Proposing Person" shall mean the following persons: (i) the stockholder of record providing the notice of nominations or business proposed to be brought before a stockholders' meeting, and (ii) the beneficial owner(s), if different, on whose behalf the nominations or business proposed to be brought before a stockholders' meeting is made. For purposes of this Section 2 of Article I of these Bylaws, the term "Synthetic Equity Interest" shall mean any transaction, agreement or arrangement (or series of transactions, agreements or arrangements), including, without limitation, any derivative, swap, hedge, repurchase or so-called "stock borrowing" agreement or arrangement, the purpose or effect of which is to, directly or indirectly: (a) give a person or entity economic benefit and/or risk similar to ownership of shares of any class or series of capital stock of the Corporation, in whole or in part, including due to the fact that such transaction, agreement or arrangement provides, directly or indirectly, the opportunity to profit or avoid a loss from any increase or decrease in the value of any shares of any class or series of capital stock of the Corporation, (b) mitigate loss to, reduce the economic risk of or manage the risk of share price changes for, any person or entity with respect to any shares of any class or series of capital stock of the Corporation, (c) otherwise provide in any manner the opportunity to profit or avoid a loss from any decrease in the value of any shares of any class or series of capital stock of the Corporation, or (d) increase or decrease the voting power of any person or entity with respect to any shares of any class or series of capital stock of the Corporation.

(3) To be eligible to be a nominee of any stockholder for election or reelection as a director of the Corporation, a person must deliver (in accordance with the time periods prescribed for nominations of persons for election to the Board of Directors by stockholders under this Article I, Section 2) to the Secretary at the principal executive offices of the Corporation a written questionnaire with respect to the background and qualification of such individual and the background of any other person or entity on whose behalf, directly or indirectly, the nomination is being made (which questionnaire shall be provided by the Secretary upon written request), all information relating to such person that would be required to be disclosed in solicitations of proxies by the Company for election of such person as a director in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act, and a written representation and agreement (in the form provided by the Secretary upon written request) that such individual (a) is not and will not become a party to (1) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been

disclosed to the Corporation and (2) any Voting Commitment that could limit or interfere with such individual's ability to comply, if elected as a director of the Corporation, with such individual's fiduciary duties under applicable law, (b) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein, (c) in such individual's personal capacity and on behalf of any person or entity on whose behalf, directly or indirectly, the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply, with all applicable corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation publicly disclosed from time to time and (d) consents to being named as a nominee in the Corporation's proxy statement pursuant to Rule 14a-4(d) under the Exchange Act and any associated proxy card of the Corporation and agrees to serve if elected as a director.

(4) A stockholder providing Timely Notice of nominations or business proposed to be brought before an Annual Meeting and any person providing information pursuant to Article I, Section 2(a)(3) shall, in each case, further update and supplement such notice and information, if necessary, so that the information (including, without limitation, the Material Ownership Interests information) provided or required to be provided therein pursuant to this Bylaw shall be true and correct as of the record date for the meeting and as of the date that is ten (10) business days prior to such Annual Meeting, and such update and supplement shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the fifth (5th) business day after the record date for the Annual Meeting (in the case of the update and supplement required to be made as of the record date), and not later than the close of business on the eighth (8th) business day prior to the date of the Annual Meeting (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting).

(5) Notwithstanding anything in the second sentence of Article I, Section 2(a)(2) of this Bylaw to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the Corporation at least ten (10) days before the last day a stockholder may deliver a notice of nomination in accordance with the second sentence of Article I, Section 2(a)(2), a stockholder's notice required by this Bylaw shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be received by the Secretary of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

(b) General.

(1) Only such persons who are nominated in accordance with the provisions of this Bylaw shall be eligible for election and to serve as directors and only such

business shall be conducted at an Annual Meeting as shall have been brought before the meeting in accordance with the provisions of this Bylaw or in accordance with Rule 14a-8 under the Exchange Act. The Board of Directors or a designated committee thereof shall have the power to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the provisions of this Bylaw. If neither the Board of Directors nor such designated committee makes a determination as to whether any stockholder proposal or nomination was made in accordance with the provisions of this Bylaw, the presiding officer of the Annual Meeting shall have the power and duty to determine whether the stockholder proposal or nomination was made in accordance with the provisions of this Bylaw. If the Board of Directors or a designated committee thereof or the presiding officer, as applicable, determines that any stockholder proposal or nomination was not made in accordance with the provisions of this Bylaw, such proposal or nomination shall be disregarded and shall not be presented for action at the Annual Meeting.

(2) Except as otherwise required by law, nothing in this Article I, Section 2 shall obligate the Corporation or the Board of Directors to include in any proxy statement or other stockholder communication distributed on behalf of the Corporation or the Board of Directors information with respect to any nominee for director or any other matter of business submitted by a stockholder.

(3) Notwithstanding the foregoing provisions of this Article I, Section 2, if the nominating or proposing stockholder (or a qualified representative of the stockholder) does not appear at the Annual Meeting to present a nomination or any business, such nomination or business shall be disregarded, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Article I, Section 2, to be considered a qualified representative of the proposing stockholder, a person must be authorized by a written instrument executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such written instrument or electronic transmission, or a reliable reproduction of the written instrument or electronic transmission, to the presiding officer at the meeting of stockholders.

(4) For purposes of this Bylaw, “public announcement” shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(5) Notwithstanding the foregoing provisions of this Bylaw, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Bylaw. Nothing in this Bylaw shall be deemed to affect any rights of (i) stockholders to have proposals included in the Corporation’s proxy statement pursuant to Rule 14a-8 (or any successor rule), as applicable, under the Exchange Act and, to the extent required by such rule, have such

proposals considered and voted on at an Annual Meeting or (ii) the holders of any series of Undesignated Preferred Stock to elect directors under specified circumstances.

SECTION 3. Special Meetings. Except as otherwise required by statute and subject to the rights, if any, of the holders of any series of Undesignated Preferred Stock, special meetings of the stockholders of the Corporation may be called only by the Board of Directors acting pursuant to a resolution approved by the affirmative vote of a majority of the Directors then in office. The Board of Directors may postpone or reschedule any previously scheduled special meeting of stockholders. Only those matters set forth in the notice of the special meeting may be considered or acted upon at a special meeting of stockholders of the Corporation. Nominations of persons for election to the Board of Directors of the Corporation and stockholder proposals of other business shall not be brought before a special meeting of stockholders to be considered by the stockholders unless such special meeting is held in lieu of an annual meeting of stockholders in accordance with Article I, Section 1 of these Bylaws, in which case such special meeting in lieu thereof shall be deemed an Annual Meeting for purposes of these Bylaws and the provisions of Article I, Section 2 of these Bylaws shall govern such special meeting

SECTION 4. Notice of Meetings; Adjournments.

(a) A notice of each Annual Meeting stating the hour, date and place, if any, of such Annual Meeting and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, shall be given not less than ten (10) days nor more than sixty (60) days before the Annual Meeting, to each stockholder entitled to vote thereat by delivering such notice to such stockholder or by mailing it, postage prepaid, addressed to such stockholder at the address of such stockholder as it appears on the Corporation's stock transfer books. Without limiting the manner by which notice may otherwise be given to stockholders, any notice to stockholders may be given by electronic transmission in the manner provided in Section 232 of the Delaware General Corporation Law ("DGCL").

(b) Notice of all special meetings of stockholders shall be given in the same manner as provided for Annual Meetings, except that the notice of all special meetings shall state the purpose or purposes for which the meeting has been called.

(c) Notice of an Annual Meeting or special meeting of stockholders need not be given to a stockholder if a waiver of notice is executed, or waiver of notice by electronic transmission is provided, before or after such meeting by such stockholder or if such stockholder attends such meeting, unless such attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened.

(d) The Board of Directors may postpone and reschedule any previously scheduled Annual Meeting or special meeting of stockholders and any record date with respect thereto, regardless of whether any notice or public disclosure with respect to any such meeting has been sent or made pursuant to Section 2 of this Article I of these Bylaws or otherwise. In no event shall the public announcement of an adjournment, postponement or rescheduling of any

previously scheduled meeting of stockholders commence a new time period for the giving of a stockholder's notice under this Article I of these Bylaws.

(e) When any meeting is convened, the presiding officer may adjourn the meeting if (i) no quorum is present for the transaction of business, (ii) the Board of Directors determines that adjournment is necessary or appropriate to enable the stockholders to consider fully information which the Board of Directors determines has not been made sufficiently or timely available to stockholders, or (iii) the Board of Directors determines that adjournment is otherwise in the best interests of the Corporation. When any Annual Meeting or special meeting of stockholders is adjourned to another hour, date or place, notice need not be given of the adjourned meeting other than an announcement at the meeting at which the adjournment is taken of the hour, date and place, if any, to which the meeting is adjourned 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; provided, however, that if the adjournment is for more than thirty (30) days from the meeting date, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting 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 shall be given to each stockholder of record entitled to vote thereat and each stockholder who, by law or under the Certificate of Incorporation of the Corporation (as the same may hereafter be amended and/or restated, the "Certificate") or these Bylaws, is entitled to such notice.

SECTION 5. Quorum. A majority of the shares entitled to vote, present in person or represented by proxy, shall constitute a quorum at any meeting of stockholders. If less than a quorum is present at a meeting, the holders of voting stock representing a majority of the voting power present at the meeting or the presiding officer may adjourn the meeting from time to time, and the meeting may be held as adjourned without further notice, except as provided in Section 4 of this Article I. At such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally noticed. The stockholders present at a duly constituted meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

SECTION 6. Voting and Proxies. Stockholders shall have one vote for each share of stock entitled to vote owned by them of record according to the stock ledger of the Corporation as of the record date, unless otherwise provided by law or by the Certificate. Stockholders may vote either (i) in person, (ii) by written proxy or (iii) by a transmission permitted by Section 212(c) of the DGCL. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission permitted by Section 212(c) of the DGCL may be substituted for or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission. Proxies shall be filed in accordance with the procedures established for the meeting of stockholders. Except as otherwise limited therein or as otherwise provided by law, proxies authorizing a person to vote at a specific meeting shall entitle the persons authorized thereby to vote at any adjournment of such meeting, but they shall not be valid after final

adjournment of such meeting. A proxy with respect to stock held in the name of two or more persons shall be valid if executed by or on behalf of any one of them unless at or prior to the exercise of the proxy the Corporation receives a specific written notice to the contrary from any one of them.

SECTION 7. Action at Meeting. When a quorum is present at any meeting of stockholders, any matter before any such meeting (other than an election of a director or directors) shall be decided by a majority of the votes properly cast for and against such matter, except where a larger vote is required by law, by the Certificate or by these Bylaws. Any election of directors by stockholders shall be determined by a plurality of the votes properly cast on the election of directors.

SECTION 8. Stockholder Lists. The Secretary or an Assistant Secretary (or the Corporation's transfer agent or other person authorized by these Bylaws or by law) shall prepare and make, at least ten (10) days before every Annual Meeting or special 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. Such list shall be open to the examination of any stockholder, 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.

SECTION 9. Presiding Officer. The Board of Directors shall designate a representative to preside over all Annual Meetings or special meetings of stockholders; provided that if the Board of Directors does not so designate such a presiding officer, then the Chairperson of the Board of Directors (the "Chairperson of the Board"), if one is elected, shall preside over such meetings. If the Board of Directors does not so designate such a presiding officer and there is no Chairperson of the Board or the Chairperson of the Board is unable to so preside or is absent, then the Chief Executive Officer, if one is elected, shall preside over such meetings, provided further that if there is no Chief Executive Officer or the Chief Executive Officer is unable to so preside or is absent, then the President shall preside over such meetings. The presiding officer at any Annual Meeting or special meeting of stockholders shall have the power, among other things, to adjourn such meeting at any time and from time to time, subject to Sections 4 and 5 of this Article I. The order of business and all other matters of procedure at any meeting of the stockholders shall be determined by the presiding officer.

SECTION 10. Inspectors of Elections. The Corporation shall, in advance of any meeting of stockholders, appoint one or more inspectors to act at the meeting and make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the presiding officer shall appoint one or more inspectors to act at the meeting. Any inspector may, but need not, be an officer, employee or agent of the Corporation. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall perform such duties as are required by the DGCL, including the counting of all votes and ballots. The inspectors may appoint or retain other

persons or entities to assist the inspectors in the performance of the duties of the inspectors. The presiding officer may review all determinations made by the inspectors, and in so doing the presiding officer shall be entitled to exercise his or her sole judgment and discretion and he or she shall not be bound by any determinations made by the inspectors. All determinations by the inspectors and, if applicable, the presiding officer, shall be subject to further review by any court of competent jurisdiction.

ARTICLE II

Directors

SECTION 1. Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors except as otherwise provided by the Certificate or required by law.

SECTION 2. Number and Terms. The number of directors of the Corporation shall be fixed solely and exclusively by resolution duly adopted from time to time by the Board of Directors. The directors shall hold office in the manner provided in the Certificate.

SECTION 3. Qualification. No director need be a stockholder of the Corporation.

SECTION 4. Vacancies. Vacancies in the Board of Directors shall be filled in the manner provided in the Certificate.

SECTION 5. Removal. Directors may be removed from office only in the manner provided in the Certificate.

SECTION 6. Resignation. A director may resign at any time by giving written notice to the Chairperson of the Board, if one is elected, the President or the Secretary. A resignation shall be effective upon receipt, unless the resignation otherwise provides.

SECTION 7. Regular Meetings. Regular meetings (including any annual meeting) of the Board of Directors may be held at such hour, date and place as the Board of Directors may by resolution from time to time determine and publicize by means of reasonable notice given to any director who is not present at the meeting at which such resolution is adopted.

SECTION 8. Special Meetings. Special meetings of the Board of Directors may be called, orally or in writing, by or at the request of a majority of the directors, the Chairperson of the Board, if one is elected, or the President. The person calling any such special meeting of the Board of Directors may fix the hour, date and place thereof.

SECTION 9. Notice of Meetings. Notice of the hour, date and place of all special meetings of the Board of Directors shall be given to each director by the Secretary or an Assistant Secretary, or in case of the death, absence, incapacity or refusal of such persons, by the Chairperson of the Board, if one is elected, or the President or such other officer designated by the Chairperson of the Board, if one is elected, or the President. Notice of any special meeting of the Board of Directors shall be given to each director in person, by telephone, or by facsimile, electronic mail or other form of electronic communication, sent to his or her business or home address, at least twenty-four (24) hours in advance of the meeting, or by written notice mailed to

his or her business or home address, at least forty-eight (48) hours in advance of the meeting. Such notice shall be deemed to be delivered when hand-delivered to such address, read to such director by telephone, deposited in the mail so addressed, with postage thereon prepaid if mailed, dispatched or transmitted if sent by facsimile transmission or by electronic mail or other form of electronic communications. A written waiver of notice signed before or after a meeting by a director and filed with the records of the meeting shall be deemed to be equivalent to notice of the meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because such meeting is not lawfully called or convened. Except as otherwise required by law, by the Certificate or by these Bylaws, neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

SECTION 10. Quorum. At any meeting of the Board of Directors, a majority of the total number of directors shall constitute a quorum for the transaction of business, but if less than a quorum is present at a meeting, a majority of the directors present may adjourn the meeting from time to time, and the meeting may be held as adjourned without further notice. Any business which might have been transacted at the meeting as originally noticed may be transacted at such adjourned meeting at which a quorum is present. For purposes of this section, the total number of directors includes any unfilled vacancies on the Board of Directors.

SECTION 11. Action at Meeting. At any meeting of the Board of Directors at which a quorum is present, the vote of a majority of the directors present shall constitute action by the Board of Directors, unless otherwise required by law, by the Certificate or by these Bylaws.

SECTION 12. 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. Such consent shall be treated as a resolution of the Board of Directors for all purposes.

SECTION 13. Manner of Participation. 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 for purposes of these Bylaws.

SECTION 14. Presiding Director. The Board of Directors shall designate a representative to preside over all meetings of the Board of Directors, provided that if the Board of Directors does not so designate such a presiding director or such designated presiding director is unable to so preside or is absent, then the Chairperson of the Board, if one is elected, shall preside over all meetings of the Board of Directors. If both the designated presiding director, if one is so designated, and the Chairperson of the Board, if one is elected, are unable to preside or are absent, the Board of Directors shall designate an alternate representative to preside over a meeting of the Board of Directors.

SECTION 15. Committees. The Board of Directors, by vote of a majority of the directors then in office, may elect one or more committees, including, without limitation, a Compensation Committee, a Nominating & Corporate Governance Committee and an Audit Committee, and may delegate thereto some or all of its powers except those which by law, by the Certificate or by these Bylaws may not be delegated. Except as the Board of Directors may otherwise determine, any such committee may make rules for the conduct of its business, but unless otherwise provided by the Board of Directors or in such rules, its business shall be conducted so far as possible in the same manner as is provided by these Bylaws for the Board of Directors; provided that for the avoidance of doubt, any meeting of a committee of the Board shall follow the notice procedures set forth in Section 9 of this Article. All members of such committees shall hold such offices at the pleasure of the Board of Directors. The Board of Directors may abolish any such committee at any time. Any committee to which the Board of Directors delegates any of its powers or duties shall keep records of its meetings and shall report its action to the Board of Directors.

SECTION 16. Compensation of Directors. Directors shall receive such compensation for their services as shall be determined by a majority of the Board of Directors, or a designated committee thereof, provided that directors who are serving the Corporation as employees and who receive compensation for their services as such, shall not receive any salary or other compensation for their services as directors of the Corporation.

ARTICLE III

Officers

SECTION 1. Enumeration. The officers of the Corporation shall consist of a President, a Treasurer, a Secretary and such other officers, including, without limitation, a Chairperson of the Board of Directors, 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.

SECTION 2. Election. The Board of Directors shall elect, from time to time at a regular or special meeting, the President, the Treasurer and the Secretary. Other officers may be elected by the Board of Directors at any regular or special meeting.

SECTION 3. Qualification. No officer need be a stockholder or a director. Any person may occupy more than one office of the Corporation at any time.

SECTION 4. Tenure. Except as otherwise provided by the Certificate or by these Bylaws, each of the officers of the Corporation shall hold office until his or her successor is elected and qualified or until his or her earlier resignation or removal.

SECTION 5. Resignation. Any officer may resign by delivering his or her written resignation to the Corporation addressed to the President or the Secretary, and such resignation shall be effective upon receipt, unless the resignation otherwise provides.

SECTION 6. Removal. Except as otherwise provided by law, the Board of Directors may remove any officer with or without cause by the affirmative vote of a majority of the directors then in office.

SECTION 7. Absence or Disability. In the event of the absence or disability of any officer, the Board of Directors may designate another officer to act temporarily in place of such absent or disabled officer.

SECTION 8. Vacancies. Any vacancy in any office may be filled for the unexpired portion of the term by the Board of Directors.

SECTION 9. President. The President shall, subject to the direction of the Board of Directors, have such powers and shall perform such duties as the Board of Directors may from time to time designate.

SECTION 10. Chairperson of the Board. The Chairperson of the Board, if one is elected, shall have such powers and shall perform such duties as the Board of Directors may from time to time designate.

SECTION 11. 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.

SECTION 12. 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 or the Chief Executive Officer may from time to time designate.

SECTION 13. Treasurer and Assistant Treasurers. The Treasurer shall, subject to the direction of the Board of Directors and except as the Board of Directors or the Chief Executive Officer may otherwise provide, 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. He or she shall have such other duties and powers as may be designated from time to time by the Board of Directors or the Chief Executive Officer. Any Assistant Treasurer shall have such powers and perform such duties as the Board of Directors or the Chief Executive Officer may from time to time designate.

SECTION 14. Secretary and Assistant Secretaries. The Secretary shall record all the proceedings of the meetings of the stockholders and the Board of Directors (including committees of the Board of Directors) in books kept for that purpose. In his or her absence from any such meeting, 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). The Secretary shall have custody of the seal of the Corporation, and the Secretary, or an Assistant Secretary shall have authority to affix it to any instrument requiring it, and, when so affixed, the seal may be attested by his or her signature or that of an Assistant Secretary. The Secretary shall have such other duties and powers as may be designated from time to time by the Board of Directors or the Chief Executive Officer. In the absence of the Secretary, any Assistant Secretary may perform his or her duties and

responsibilities. Any Assistant Secretary shall have such powers and perform such duties as the Board of Directors or the Chief Executive Officer may from time to time designate.

SECTION 15. Other Powers and Duties. Subject to these Bylaws and to such limitations as the Board of Directors may from time to time prescribe, the officers of the Corporation shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as from time to time may be conferred by the Board of Directors or the Chief Executive Officer.

ARTICLE IV

Capital Stock

SECTION 1. Certificates of Stock. 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. Such certificate shall be signed by the Chairperson of the Board, the President or a Vice President and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary. The Corporation's seal and the signatures by the Corporation's officers, the transfer agent or the registrar may be facsimiles. 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 he or she 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. Notwithstanding anything to the contrary provided in these Bylaws, the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares (except that the foregoing shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation), and by the approval and adoption of these Bylaws the Board of Directors has determined that all classes or series of the Corporation's stock may be uncertificated, whether upon original issuance, re-issuance, or subsequent transfer.

SECTION 2. Transfers. Subject to any restrictions on transfer and unless otherwise provided by the Board of Directors, shares of stock that are represented by a certificate may be transferred on the books of the Corporation by the surrender to the Corporation or its transfer agent of the certificate theretofore 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. Shares of stock that are not represented by a certificate may be transferred on the books of the Corporation by submitting to the Corporation or its transfer agent such evidence of transfer and following such other procedures as the Corporation or its transfer agent may require.

SECTION 3. Record Holders. Except as may otherwise be required by law, by the Certificate or by these Bylaws, 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 Bylaws.

SECTION 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 entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date: (a) in the case of determination of stockholders entitled to vote at any meeting of stockholders, shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting and (b) in the case of any other action, shall not be more than sixty (60) days prior to such other action. If no record date is fixed: (i) 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; and (ii) 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.

SECTION 5. Replacement of Certificates. In case of the alleged loss, destruction or mutilation of a certificate of stock of the Corporation, a duplicate certificate may be issued in place thereof, upon such terms as the Board of Directors may prescribe.

ARTICLE V

Indemnification

SECTION 1. Definitions. For purposes of this Article:

(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;

(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 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;

(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, arbitrative 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) fifty percent (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) fifty percent (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.

SECTION 2. Indemnification of Directors and Officers.

(a) Subject to the operation of Section 4 of this Article V of these Bylaws, 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.

(1) 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.

(2) 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(a)(2) 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.

(3) 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.

(4) 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 Bylaws in accordance with the provisions set forth herein.

SECTION 3. Indemnification of Non-Officer Employees. Subject to the operation of Section 4 of this Article V of these Bylaws, each Non-Officer Employee may, in the discretion of the Board of Directors, 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.

SECTION 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.

SECTION 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, or (ii) brought to enforce such Director's rights to indemnification or advancement of Expenses under these Bylaws.

(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.

SECTION 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, 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.

SECTION 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 distributes 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.

SECTION 8. Non-Exclusivity of Rights. The rights to indemnification and to 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 Bylaws, agreement, vote of stockholders or Disinterested Directors or otherwise.

SECTION 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.

SECTION 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

SECTION 1. Fiscal Year. The fiscal year of the Corporation shall be determined by the Board of Directors.

SECTION 2. Seal. The Board of Directors shall have power to adopt and alter the seal of the Corporation.

SECTION 3. Execution of Instruments. 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 the Chairperson of the Board, if one is elected, the President or the Treasurer or any other officer, employee or agent of the Corporation as the Board of Directors or an applicable committee of the Board of Directors may authorize.

SECTION 4. Voting of Securities. Unless the Board of Directors otherwise provides, the Chairperson of the Board, if one is elected, the President or the Treasurer may waive notice of and act on behalf of the Corporation, or appoint another person or persons to act as proxy or attorney in fact for the Corporation with or without discretionary power and/or power of substitution, at any meeting of stockholders or shareholders of any other corporation or organization, any of whose securities are held by the Corporation.

SECTION 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.

SECTION 6. Corporate Records. The original or attested copies of the Certificate, Bylaws and records of all meetings of the incorporators, stockholders and the Board of Directors and the stock transfer books, which shall contain the names of all stockholders, their record addresses and the amount of stock held by each, may be kept outside the State of Delaware and shall be kept at the principal office of the Corporation, at an office of its counsel, at an office of its transfer agent or at such other place or places as may be designated from time to time by the Board of Directors.

SECTION 7. Certificate. All references in these Bylaws to the Certificate shall be deemed to refer to the Amended and Restated Certificate of Incorporation of the Corporation, as amended and/or restated and in effect from time to time.

SECTION 8. Exclusive Jurisdiction of Delaware Courts or the United States Federal District Courts. Unless the Corporation consents in writing to the selection of an alternative forum, 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 the Corporation, (ii) any action asserting a claim of, or a claim based on, a breach of a fiduciary duty owed by any current or former director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law or the Certificate or Bylaws (including the interpretation, validity or enforceability thereof), or (iv) any action asserting a

claim governed by the internal affairs doctrine. Unless the Corporation consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act of 1933, as amended. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Section 8.

SECTION 9. Amendment of Bylaws.

(a) Amendment by Directors. Except as provided otherwise by law, these Bylaws may be amended or repealed by the Board of Directors by the affirmative vote of a majority of the directors then in office.

(b) Amendment by Stockholders. These Bylaws may be amended or repealed at any Annual Meeting, or special meeting of stockholders called for such purpose in accordance with these Bylaws, by the affirmative vote of at least seventy-five percent (75%) of the outstanding shares entitled to vote on such amendment or repeal, voting together as a single class; provided, however, that if the Board of Directors recommends that stockholders approve such amendment or repeal at such meeting of stockholders, such amendment or repeal shall only require the affirmative vote of the majority of the outstanding shares entitled to vote on such amendment or repeal, voting together as a single class. Notwithstanding the foregoing, stockholder approval shall not be required unless mandated by the Certificate, these Bylaws, or other applicable law.

SECTION 10. Notices. If mailed, notice to stockholders shall be deemed given when deposited in the mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation. Without limiting the manner by which notice otherwise may be given to stockholders, any notice to stockholders may be given by electronic transmission in the manner provided in Section 232 of the DGCL.

SECTION 11. Waivers. A written waiver of any notice, signed by a stockholder or director, or waiver by electronic transmission by such person, whether given before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such person. Neither the business to be transacted at, nor the purpose of, any meeting need be specified in such a waiver.

Adopted _____, ____ and effective as of _____, ____.

EXHIBIT 5.1 OPINION LETTER

July 15, 2021

Absci Corporation
18105 SE Mill Plain Blvd
Vancouver, WA 98693

Re: Securities Registered under Registration Statement on Form S-1

Ladies and Gentlemen:

We have acted as counsel to you in connection with your filing of a Registration Statement on Form S-1 (File No. 333-257553) (as amended or supplemented, the "Registration Statement") pursuant to the Securities Act of 1933, as amended (the "Securities Act"), relating to the registration of the offering by Absci Corporation, a Delaware corporation (the "Company")
of up to 14,375,000 shares (the "Shares") of the Company's Common Stock, $0.0001 par value per share, including Shares purchasable by the underwriters upon their exercise of an over- allotment option granted to the underwriters by the Company. The Shares are being sold to the several underwriters named in, and pursuant to, an underwriting agreement among the Company and such underwriters (the "Underwriting Agreement").

We have reviewed such documents and made such examination of law as we have deemed appropriate to give the opinions set forth below. We have relied, without independent verification, on certificates of public officials and, as to matters of fact material to the opinions set forth below, on certificates of officers of the Company.

The opinion set forth below is limited to the Delaware General Corporation Law.

Based on the foregoing, we are of the opinion that the Shares have been duly authorized and, upon issuance and delivery against payment therefor in accordance with the terms of the Underwriting Agreement, the Shares will be validly issued, fully paid and non-assessable.

We hereby consent to the inclusion of this opinion as Exhibit 5.1 to the Registration Statement and to the references to our firm under the caption "Legal Matters" in the Registration Statement. In giving our consent, we do not admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations thereunder.

Very truly yours,

/s/ Goodwin Procter LLP

GOODWIN PROCTER LLP

ABSCI CORPORATON

2021 STOCK OPTION AND INCENTIVE PLAN

SECTION 1. GENERAL PURPOSE OF THE PLAN; DEFINITIONS

The name of the plan is the Absci Corporation 2021 Stock Option and Incentive Plan (the "Plan"). The purpose of the Plan is to encourage and enable the officers, employees, Non-Employee Directors and Consultants of Absci Corporation (the "Company") and its Affiliates 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. It is anticipated that providing such persons with a direct stake in the Company's welfare will assure a closer identification of their interests with those of the Company and its stockholders, thereby stimulating their efforts on the Company's behalf and strengthening their desire to remain with the Company.

The following terms shall be defined as set forth below:

"*Act*" means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

"*Administrator*" means either the Board or the compensation committee of the Board or a similar committee performing the functions of the compensation committee and which is comprised of not less than two Non-Employee Directors who are independent.

"*Affiliate*" means, at the time of determination, any "parent" or "subsidiary" of the Company as such terms are defined in Rule 405 of the Act. The Board will have the authority to determine the time or times at which "parent" or "subsidiary" status is determined within the foregoing definition.

"*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 Units, Restricted Stock Awards, Unrestricted Stock Awards, Cash-Based Awards, and Dividend Equivalent Rights.

"*Award Certificate*" means a written or electronic document setting forth the terms and provisions applicable to an Award granted under the Plan. Each Award Certificate is subject to the terms and conditions of the Plan.

"*Board*" means the Board of Directors of the Company.

"*Cash-Based Award*" means an Award entitling the recipient to receive a cash-denominated payment.

"*Cause*" shall have the meaning as set forth in the Award Certificate(s). In the case that any Award Certificate 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.

"*Code*" means the Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

"*Consultant*" means a consultant or adviser who provides *bona fide* services to the Company or an Affiliate as an independent contractor and who qualifies as a consultant or advisor under Instruction A.1.(a)(1) of Form S-8 under the Act.

"*Dividend Equivalent Right*" means an Award entitling the grantee to receive credits based on ordinary cash dividends that would have been paid on the shares of Stock specified in the Dividend Equivalent Right (or other award to which it relates) if such shares had been issued to and held by the grantee.

"*Effective Date*" means the date on which the Plan becomes effective as set forth in Section 19.

"*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 Administrator; provided, however, that if the Stock is listed on the National Association of Securities Dealers Automated Quotation System ("NASDAQ"), NASDAQ Global Market, The New York Stock Exchange or another national securities exchange or traded on any established market, the determination shall be made by reference to market quotations. If there are no market quotations for such date, the determination shall be made by reference to the last date preceding such date for which there are market quotations; provided further, however, that if the date for which Fair Market Value is determined is the Registration Date, 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 Certificate(s). In the case that any Award Certificate 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.

"*Incentive Stock Option*" means any Stock Option designated and qualified as an "incentive stock option" as defined in Section 422 of the Code.

"*Non-Employee Director*" means a member of the Board who is not also an employee of the Company or any Subsidiary.

"*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.

"*Registration Date*" means the date upon which the registration statement on Form S-1 that is filed by the Company with respect to its initial public offering is declared effective by the Securities and Exchange Commission.

"*Restricted Shares*" means the shares of Stock underlying a Restricted Stock Award that remain subject to a risk of forfeiture or the Company's right of repurchase.

"*Restricted Stock Award*" means an Award of Restricted Shares subject to such restrictions and conditions as the Administrator may determine at the time of grant.

"*Restricted Stock Units*" means an Award of stock units subject to such restrictions and conditions as the Administrator may determine at the time of grant.

"*Sale Event*" shall mean (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization or consolidation pursuant to which the holders of the Company's outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, (iii) the sale of all of the Stock of the Company to an unrelated person, entity or group thereof acting in concert, or (iv) any other transaction in which the owners of the Company's outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company.

"*Sale Price*" means the value as determined by the Administrator of the consideration payable, or otherwise to be received by stockholders, per share of Stock pursuant to a Sale Event.

"*Section 409A*" means Section 409A of the Code and the regulations and other guidance promulgated thereunder.

"*Service Relationship*" means any relationship as an employee, director or Consultant of the Company or any Affiliate (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).

"*Stock*" means the Common Stock, par value $0.0001 per share, of the Company, subject to adjustments pursuant to Section 3.

"*Stock Appreciation Right*" means an Award entitling the recipient to receive shares of Stock (or cash, to the extent explicitly provided for in the applicable Award Certificate) 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 at least 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 or subsidiary corporation.

"*Unrestricted Stock Award*" means an Award of shares of Stock free of any restrictions.

SECTION 2. ADMINISTRATION OF PLAN; ADMINISTRATOR AUTHORITY TO SELECT GRANTEES AND DETERMINE AWARDS

(a) Administration of Plan. The Plan shall be administered by the Administrator.

(b) Powers of Administrator. The Administrator 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 extent, if any, of Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock Awards, Restricted Stock Units, Unrestricted Stock Awards, Cash-Based Awards, and Dividend Equivalent Rights, or any combination of the foregoing, granted to any one or more grantees;

(iii) to determine the number of shares of Stock to be covered by any Award;

(iv) to determine and 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 forms of Award Certificates;

(v) to accelerate at any time the exercisability or vesting of all or any portion of any Award;

(vi) subject to the provisions of Sections 5(c) or 6(d), to extend at any time the period in which Stock Options may be exercised or Stock Appreciation Rights, respectively; and

(vii) 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 related written instruments); 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 Administrator shall be binding on all persons, including the Company and Plan grantees.

(c) Delegation of Authority to Grant Awards. Subject to applicable law, the Administrator, in its discretion, may delegate to a committee consisting of one or more officers of the Company [including the Chief Executive Officer of the Company] all or part of the Administrator's authority and duties with respect to the granting of Awards to individuals who are (i) not subject to the reporting and other provisions of Section 16 of the Exchange Act and (ii) not members of the delegated committee. Any such delegation by the Administrator shall include a limitation as to the amount of Stock underlying Awards that may be granted during the period of the delegation and shall contain guidelines as to the determination of the exercise price and the vesting criteria. The Administrator may revoke or amend the terms of a delegation at any time but such action shall not invalidate any prior actions of the Administrator's delegate or delegates that were consistent with the terms of the Plan.

(d) Award Certificate. Awards under the Plan shall be evidenced by Award Certificates that set forth the terms, conditions and limitations for each Award which may include, without limitation, the term of an Award and the provisions applicable in the event employment or service terminates.

(e) Indemnification. Neither the Board nor the Administrator, 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 Administrator (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 articles 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.

(f) 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 its Subsidiaries operate or have employees or other individuals eligible for Awards, the

Administrator, in its sole discretion, shall have the power and authority to: (i) determine which Subsidiaries shall be covered by the Plan; (ii) determine which individuals 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 Administrator determines such actions to be necessary or advisable (and such subplans and/or modifications shall be attached to this Plan as appendices); provided, however, that no such subplans and/or modifications shall increase the share limitations contained in Section 3(a) hereof; and (v) take any action, before or after an Award is made, that the Administrator determines to be necessary or advisable to obtain approval or comply with any local governmental regulatory exemptions or approvals. Notwithstanding the foregoing, the Administrator may not take any actions hereunder, and no Awards shall be granted, that would violate the Exchange Act or any other applicable United States securities law, the Code, or any other applicable United States governing statute or law.

SECTION 3. STOCK ISSUABLE UNDER THE PLAN; MERGERS; SUBSTITUTION

(a) Stock Issuable. The maximum number of shares of Stock reserved and available for issuance under the Plan shall be 8,133,750 shares (the "Initial Limit"), subject to adjustment as provided in this Section 3, plus on January 1, 2022 and each January 1 thereafter, the number of shares of Stock reserved and available for issuance under the Plan shall be cumulatively increased by five percent of the number of shares of Stock issued and outstanding on the immediately preceding December 31 or such lesser amount as determined by the Administrator (the "Annual Increase"). Subject to such overall limitation, the maximum aggregate number of shares of Stock that may be issued in the form of Incentive Stock Options shall not exceed the Initial Limit cumulatively increased on January 1, 2022 and on each January 1 thereafter by the lesser of the Annual Increase for such year or 8,133,750 shares of Stock, subject in all cases to adjustment as provided in this Section 3. For purposes of this limitation, the shares of Stock underlying any awards under the Plan and under the Company's 2020 Stock Option and Grant Plan that are forfeited, canceled, held back upon exercise of an Option or settlement of an Award to cover the exercise price or tax withholding, reacquired by the Company prior to vesting, satisfied without the issuance of Stock or otherwise terminated (other than by exercise) shall be added back to the shares of Stock available for issuance under the Plan and, to the extent permitted under Section 422 of the Code and the regulations promulgated thereunder, the shares of Stock that may be issued as Incentive Stock Options. In the event the Company repurchases shares of Stock on the open market, such shares shall not be added to the shares of Stock available for issuance under the Plan. Subject to such overall limitations, shares of Stock may be issued up to such maximum number pursuant to any type or types of Award. The shares available for issuance under the Plan may be authorized but unissued shares of Stock or shares of Stock reacquired by the Company. Awards that may be settled solely in cash shall not be counted against the share reserve.

(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 of Stock 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 of Stock or other securities, or, if, as a result of any merger or consolidation, sale of all or substantially all of the assets of the Company, the outstanding shares of Stock are converted into or exchanged for securities of the Company or any successor entity (or a parent or subsidiary thereof), the Administrator shall make an appropriate or proportionate adjustment in (i) the maximum number of shares reserved for issuance under the Plan, including the maximum number of shares that may be issued in the form of Incentive Stock Options, (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 Restricted Stock 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 shares subject to Stock Options and Stock Appreciation Rights) as to which such Stock Options and Stock Appreciation Rights remain exercisable. The Administrator shall also make equitable or proportionate adjustments in the number of shares subject to outstanding Awards and the exercise price and the terms of outstanding Awards to take into consideration cash dividends paid other than in the ordinary course or any other extraordinary corporate event. The adjustment by the Administrator shall be final, binding and conclusive. No fractional shares of Stock shall be issued under the Plan resulting from any such adjustment, but the Administrator in its discretion may make a cash payment in lieu of fractional shares.

(c) Mergers and Other Transactions. In the case of and subject to the consummation of a Sale Event, the parties thereto may cause the assumption or continuation of Awards theretofore granted by the successor entity, or the substitution of such Awards with new Awards of the successor entity or parent thereof, with appropriate adjustment as to the number and kind of shares and, if appropriate, the per share exercise prices, as such parties shall agree. To the extent the parties to such Sale Event do not provide for the assumption, continuation or substitution of Awards, upon the effective time of the Sale Event, the Plan and all outstanding Awards granted hereunder shall terminate. In such case, except as may be otherwise provided in the relevant Award Certificate, all Options and Stock Appreciation Rights with time-based vesting conditions or restrictions that are not vested and/or exercisable immediately prior to the effective time of the Sale Event shall become fully vested and exercisable as of the effective time of the Sale Event, all other Awards with time-based vesting, conditions or restrictions shall become fully vested and nonforfeitable as of the effective time of the Sale Event, and all Awards with conditions and restrictions relating to the attainment of performance goals may become vested and nonforfeitable in connection with a Sale Event in the Administrator's discretion or to the extent specified in the relevant Award Certificate. In the event of such termination, (i) the Company shall have the option (in its sole discretion) to make or provide for a payment, in cash or in kind, to the grantees holding Options and Stock Appreciation Rights, in exchange for the cancellation thereof, in an amount equal to the difference between (A) the Sale Price multiplied by the number of shares of Stock subject to outstanding Options and Stock Appreciation Rights (to the extent then exercisable at prices not in excess of the Sale Price) and (B) the aggregate exercise price of all such outstanding Options and Stock Appreciation Rights (provided that, in the case of an Option or Stock Appreciation Right with an exercise price equal to or greater than

the Sale Price, such Option or Stock Appreciation Right shall be cancelled for no consideration); or (ii) each grantee shall be permitted, within a specified period of time prior to the consummation of the Sale Event as determined by the Administrator, to exercise all outstanding Options and Stock Appreciation Rights (to the extent then exercisable) held by such grantee. The Company shall also have the option (in its sole discretion) to make or provide for a payment, in cash or in kind, to the grantees holding other Awards in an amount equal to the Sale Price multiplied by the number of vested shares of Stock under such Awards.

To the extent that the parties to such Sale Event provide for the assumption, continuation or substitution of Awards, and in the event a grantee's Service Relationship is terminated by the Company or any successor other than for Cause or the grantee resigns for Good Reason, in either case upon or during the 12-month period following the Sale Event, except as may be otherwise provided in the relevant Award Certificate, any such Awards so assumed, continued or substituted in a Sale Event shall become fully vested, exercisable and nonforfeitable as of the date of such termination.

(d) Maximum Awards to Non-Employee Directors. Notwithstanding anything to the contrary in this Plan, the value of all Awards awarded under this Plan and all other cash compensation paid by the Company to any Non-Employee Director for service as a Non-Employee Director in any calendar year shall not exceed: (i) $1,250,000 in the first calendar year an individual becomes a Non-Employee Director and (ii) $1,000,000 in any other calendar year. For the purpose of this limitation, the value of any Award shall be its grant date fair value, as determined in accordance with ASC 718 or successor provision but excluding the impact of estimated forfeitures related to service-based vesting provisions.

SECTION 4. ELIGIBILITY

Grantees under the Plan will be such employees, Non-Employee Directors or Consultants of the Company and its Affiliates as are selected from time to time by the Administrator in its sole discretion; provided that Awards may not be granted to employees, Directors or Consultants who are providing services only to any "parent" of the Company, as such term is defined in Rule 405 of the Act, unless (i) the stock underlying the Awards is treated as "service recipient stock" under Section 409A or (ii) the Company has determined that such Awards are exempt from or otherwise comply with Section 409A.

SECTION 5. STOCK OPTIONS

(a) Award of Stock Options. The Administrator may grant Stock Options under the Plan. Any Stock Option granted under the Plan shall be in such form as the Administrator may from time to time approve.

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.

Stock Options granted pursuant to this Section 5 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 Administrator shall deem desirable. If the Administrator so determines, Stock Options may be granted in lieu of cash compensation at the optionee's election, subject to such terms and conditions as the Administrator may establish.

(b) Exercise Price. The exercise price per share for the Stock covered by a Stock Option granted pursuant to this Section 5 shall be determined by the Administrator at the time of grant but shall not be less than 100 percent of the Fair Market Value on the date of grant. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the exercise price of such Incentive Stock Option shall be not less than 110 percent of the Fair Market Value on the grant date. Notwithstanding the foregoing, Stock Options may be granted with an exercise price per share that is less than 100 percent of the Fair Market Value on the date of grant (i) pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code, (ii) to individuals who are not subject to U.S. income tax on the date of grant or (iii) the Stock Option is otherwise compliant with Section 409A.

(c) Option Term. The term of each Stock Option shall be fixed by the Administrator, but no Stock Option shall be exercisable more than ten years after the date the Stock Option is granted. 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 date of grant.

(d) Exercisability; Rights of a Stockholder. Stock Options shall become exercisable at such time or times, whether or not in installments, as shall be determined by the Administrator at or after the grant date. The Administrator may at any time accelerate the exercisability of all or any portion of any 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.

(e) Method of Exercise. Stock Options may be exercised in whole or in part, by 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 except to the extent otherwise provided in the Award Certificate:

(i) In cash, by certified or bank check or other instrument acceptable to the Administrator;

(ii) Through the delivery (or attestation to the ownership following such procedures as the Company may prescribe) of shares of Stock that are not then subject to restrictions under any Company plan. Such surrendered shares shall be valued at Fair Market Value on the exercise date;

(iii) 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 Company shall prescribe as a condition of such payment procedure; or

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 of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price.

(iv) Payment instruments will be received subject to collection. The transfer to the optionee on the records of the Company or of the transfer agent of the shares of Stock to be purchased pursuant to the exercise of a Stock Option will be contingent upon receipt from the optionee (or a purchaser acting in his 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 Certificate or applicable provisions of laws (including the satisfaction of any withholding taxes that the Company is obligated to withhold with respect to the optionee). In the event an optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the optionee upon the exercise of the Stock Option shall be net of the number of attested shares. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the exercise of Stock Options, such as a system using an internet website or interactive voice response, then the paperless exercise of Stock Options may be permitted through the use of such an automated system.

(f) 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 time of grant) of the shares of Stock with respect to which Incentive Stock Options granted under this Plan and any other plan of the Company or its parent and subsidiary corporations become exercisable for the first time by an optionee during any calendar year shall not exceed $100,000. To the extent that any Stock Option exceeds this limit, it shall constitute a Non-Qualified Stock Option.

SECTION 6. STOCK APPRECIATION RIGHTS

(a) Award of Stock Appreciation Rights. The Administrator may grant Stock Appreciation Rights under the Plan. A Stock Appreciation Right is an Award entitling the recipient to receive shares of Stock (or cash, to the extent explicitly provided for in the applicable Award Certificate) having a value equal to the excess of the Fair Market Value of a share of 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.

(b) Exercise Price of Stock Appreciation Rights. The exercise price of a Stock Appreciation Right shall not be less than 100 percent of the Fair Market Value of the Stock on the date of grant. Notwithstanding the foregoing, Stock Appreciation Rights may be granted with an exercise price per share that is less than 100 percent of the Fair Market Value on the date of grant (i) pursuant to a transaction described in, and in a manner consistent with, Section 424(a)

of the Code, (ii) to individuals who are not subject to U.S. income tax on the date of grant or (iii) the Stock Appreciation Right is otherwise compliant with Section 409A.

(c) Grant and Exercise of Stock Appreciation Rights. Stock Appreciation Rights may be granted by the Administrator independently of any Stock Option granted pursuant to Section 5 of the Plan.

(d) Terms and Conditions of Stock Appreciation Rights. Stock Appreciation Rights shall be subject to such terms and conditions as shall be determined on the date of grant by the Administrator. The term of a Stock Appreciation Right may not exceed ten years. The terms and conditions of each such Award shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees.

SECTION 7. RESTRICTED STOCK AWARDS

(a) Nature of Restricted Stock Awards. The Administrator may grant Restricted Stock Awards under the Plan. A Restricted Stock Award is any Award of Restricted Shares subject to such restrictions and conditions as the Administrator may determine at the time of grant. Conditions may be based on continuing employment (or other Service Relationship) and/or achievement of pre-established performance goals and objectives.

(b) Rights as a Stockholder. Upon the grant of the Restricted Stock Award and payment of any applicable purchase price, a grantee shall have the rights of a stockholder with respect to the voting of the Restricted Shares and receipt of dividends; provided that if the lapse of restrictions with respect to the Restricted Stock Award is tied to the attainment of performance goals, any dividends paid by the Company during the performance period shall accrue and shall not be paid to the grantee until and to the extent the performance goals are met with respect to the Restricted Stock Award. Unless the Administrator shall otherwise determine, (i) uncertificated Restricted Shares shall be accompanied by a notation on the records of the Company or the transfer agent to the effect that they are subject to forfeiture until such Restricted Shares are vested as provided in Section 7(d) below, and (ii) certificated Restricted Shares shall remain in the possession of the Company until such Restricted Shares are vested as provided in Section 7(d) below, and the grantee shall be required, as a condition of the grant, to deliver to the Company such instruments of transfer as the Administrator may prescribe.

(c) Restrictions. Restricted Shares may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided herein or in the Restricted Stock Award Certificate. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 16 below, in writing after the Award is issued, if a grantee's employment (or other Service Relationship) with the Company and its Subsidiaries terminates for any reason, any Restricted Shares that have not vested at the time of termination shall automatically and without any requirement of notice to such grantee from or other action by or on behalf of, the Company be deemed to have been reacquired by the Company at its original purchase price (if any) from such grantee or such grantee's legal representative simultaneously with such termination of employment (or other Service Relationship), and thereafter shall cease to represent any ownership of the Company by the grantee or rights of the grantee as a

stockholder. Following such deemed reacquisition of Restricted Shares that are represented by physical certificates, a grantee shall surrender such certificates to the Company upon request without consideration.

(d) Vesting of Restricted Shares. The Administrator at the time of grant shall specify the date or dates and/or the attainment of pre-established performance goals, objectives and other conditions on which the non-transferability of the Restricted Shares and the Company's right of repurchase or forfeiture shall lapse. Subsequent to such date or dates and/or the attainment of such pre-established performance goals, objectives and other conditions, the shares on which all restrictions have lapsed shall no longer be Restricted Shares and shall be deemed "vested."

SECTION 8. RESTRICTED STOCK UNITS

(a) Nature of Restricted Stock Units. The Administrator may grant Restricted Stock Units under the Plan. A Restricted Stock Unit is an Award of stock units that may be settled in shares of Stock (or cash, to the extent explicitly provided for in the Award Certificate) upon the satisfaction of such restrictions and conditions at the time of grant. Conditions may be based on continuing employment (or other Service Relationship) and/or achievement of pre-established performance goals and objectives. The terms and conditions of each such Award shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees. Except in the case of Restricted Stock Units with a deferred settlement date that complies with Section 409A, at the end of the vesting period, the Restricted Stock Units, to the extent vested, shall be settled in the form of shares of Stock. Restricted Stock Units with deferred settlement dates are subject to Section 409A and shall contain such additional terms and conditions as the Administrator shall determine in its sole discretion in order to comply with the requirements of Section 409A.

(b) Election to Receive Restricted Stock Units in Lieu of Compensation. The Administrator may, in its sole discretion, permit a grantee to elect to receive a portion of future cash compensation otherwise due to such grantee in the form of an award of Restricted Stock Units. Any such election shall be made in writing and shall be delivered to the Company no later than the date specified by the Administrator and in accordance with Section 409A and such other rules and procedures established by the Administrator. Any such future cash compensation that the grantee elects to defer shall be converted to a fixed number of Restricted Stock Units based on the Fair Market Value of Stock on the date the compensation would otherwise have been paid to the grantee if such payment had not been deferred as provided herein. The Administrator shall have the sole right to determine whether and under what circumstances to permit such elections and to impose such limitations and other terms and conditions thereon as the Administrator deems appropriate. Any Restricted Stock Units that are elected to be received in lieu of cash compensation shall be fully vested, unless otherwise provided in the Award Certificate.

(c) Rights as a Stockholder. A grantee shall have the rights as a stockholder only as to shares of Stock acquired by the grantee upon settlement of Restricted Stock Units; provided, however, that the grantee may be credited with Dividend Equivalent Rights with respect to the stock units underlying his Restricted Stock Units, subject to the provisions of Section 11 and such terms and conditions as the Administrator may determine.

(d) Termination. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 16 below, in writing after the Award is issued, a grantee's right in all Restricted Stock Units that have not vested shall automatically terminate upon the grantee's termination of employment (or cessation of Service Relationship) with the Company and its Subsidiaries for any reason.

SECTION 9. UNRESTRICTED STOCK AWARDS

Grant or Sale of Unrestricted Stock. The Administrator may grant (or sell at par value or such higher purchase price determined by the Administrator) an Unrestricted Stock Award under the Plan. An Unrestricted Stock Award is an Award pursuant to which the grantee may receive shares of Stock free of any restrictions 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 10. CASH-BASED AWARDS

Grant of Cash-Based Awards. The Administrator may grant Cash-Based Awards under the Plan. A Cash-Based Award is an Award that entitles the grantee to a payment in cash upon the attainment of specified performance goals. The Administrator shall determine the maximum duration of the Cash-Based Award, the amount of cash to which the Cash-Based Award pertains, the conditions upon which the Cash-Based Award shall become vested or payable, and such other provisions as the Administrator shall determine. Each Cash-Based Award shall specify a cash-denominated payment amount, formula or payment ranges as determined by the Administrator. Payment, if any, with respect to a Cash-Based Award shall be made in accordance with the terms of the Award and may be made in cash.

SECTION 11. DIVIDEND EQUIVALENT RIGHTS

(a) Dividend Equivalent Rights. The Administrator may grant Dividend Equivalent Rights under the Plan. A Dividend Equivalent Right is an Award entitling the grantee to receive credits based on cash dividends that would have been paid on the shares of Stock specified in the Dividend Equivalent Right (or other Award to which it relates) if such shares had been issued to the grantee. A Dividend Equivalent Right may be granted hereunder to any grantee as a component of an award of Restricted Stock Units or as a freestanding award. The terms and conditions of Dividend Equivalent Rights shall be specified in the Award Certificate. Dividend equivalents credited to the holder of a Dividend Equivalent Right may be paid currently or may be deemed to be reinvested in additional shares of Stock, which may thereafter accrue additional equivalents. Any such reinvestment shall be at Fair Market Value on the date of reinvestment or such other price as may then apply under a dividend reinvestment plan sponsored by the Company, if any. Dividend Equivalent Rights may be settled in cash or shares of Stock or a combination thereof, in a single installment or installments. A Dividend Equivalent Right granted as a component of an Award of Restricted Stock Units shall provide that such Dividend Equivalent Right shall be settled only upon settlement or payment of, or lapse of restrictions on, such other Award, and that such Dividend Equivalent Right shall expire or be forfeited or annulled under the same conditions as such other Award.

(b) Termination. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 16 below, in writing after the Award is issued, a grantee's rights in all Dividend Equivalent Rights shall automatically terminate upon the grantee's termination of employment (or cessation of Service Relationship) with the Company and its Subsidiaries for any reason.

SECTION 12. TRANSFERABILITY OF AWARDS

(a) Transferability. Except as provided in Section 12(b) below, during a grantee's lifetime, his or her Awards shall be exercisable only by the grantee, or by the grantee's legal representative or guardian in the event of the grantee's incapacity. No Awards shall be sold, assigned, transferred or otherwise encumbered or disposed of by a grantee other than by will or by the laws of descent and distribution or pursuant to a domestic relations order. No Awards shall be subject, in whole or in part, to attachment, execution, or levy of any kind, and any purported transfer in violation hereof shall be null and void.

(b) Administrator Action. Notwithstanding Section 12(a), the Administrator, in its discretion, may provide either in the Award Certificate regarding a given Award or by subsequent written approval that the grantee (who is an employee or director) may transfer his or her Non-Qualified Stock Options to his or her immediate family members, to trusts for the benefit of such family members, or to partnerships in which such family members are the only partners, 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. In no event may an Award be transferred by a grantee for value.

(c) Family Member. For purposes of Section 12(b), "family member" shall mean a grantee'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 grantee's household (other than a tenant of the grantee), a trust in which these persons (or the grantee) have more than 50 percent of the beneficial interest, a foundation in which these persons (or the grantee) control the management of assets, and any other entity in which these persons (or the grantee) own more than 50 percent of the voting interests.

(d) Designation of Beneficiary. To the extent permitted by the Company, each grantee to whom an Award has been made under the Plan may designate a beneficiary or beneficiaries to exercise any Award 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 Administrator and shall not be effective until received by the Administrator. 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.

SECTION 13. 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 Stock or other amounts received thereunder first becomes includable

in the gross income of the grantee for Federal income tax purposes, pay to the Company, or make arrangements satisfactory to the Administrator 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 its Subsidiaries 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 evidence of book entry (or stock certificates) to any grantee is subject to and conditioned on tax withholding obligations being satisfied by the grantee.

(b) Payment in Stock. The Administrator may require the Company's tax withholding obligation to be satisfied, in whole or in part, by the Company withholding from shares of Stock to be issued pursuant to any Award 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; provided, however, that the amount withheld does not exceed the maximum statutory tax rate or such lesser amount as is necessary to avoid liability accounting treatment. For purposes of share withholding, the Fair Market Value of withheld shares shall be determined in the same manner as the value of Stock includible in income of the grantees. The Administrator may also require the Company's tax withholding obligation to be satisfied, in whole or in part, by an arrangement whereby a certain number of shares of Stock issued pursuant to any Award are immediately sold and proceeds from such sale are remitted to the Company in an amount that would satisfy the withholding amount due.

SECTION 14. SECTION 409A AWARDS

Awards are intended to be exempt from Section 409A to the greatest extent possible and to otherwise comply with Section 409A. The Plan and all Awards shall be interpreted in accordance with such intent. 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 specified by the Administrator from time to time in order to comply with Section 409A. 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 then 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. Further, the settlement of any 409A Award may not be accelerated except to the extent permitted by Section 409A. The Company makes no representation that any or all of the payments or benefits described in the Plan will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to any such payment. The grantee shall be solely responsible for the payment of any taxes and penalties incurred under Section 409A.

SECTION 15. TERMINATION OF SERVICE RELATIONSHIP, TRANSFER, LEAVE OF ABSENCE, ETC.

(a) Termination of Service Relationship. If the grantee's Service Relationship is with an Affiliate and such Affiliate ceases to be an Affiliate, the grantee shall be deemed to have terminated his or her Service Relationship for purposes of the Plan.

(b) For purposes of the Plan, the following events shall not be deemed a termination of a Service Relationship:

(i) a transfer to the employment of the Company from an Affiliate or from the Company to an Affiliate, or from one Affiliate to another; or

(ii) an approved leave of absence for military service or sickness, or for any other purpose approved by the Company, if the employee'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 Administrator otherwise so provides in writing.

SECTION 16. AMENDMENTS AND TERMINATION

The Board may, at any time, amend or discontinue the Plan and the Administrator 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 materially and adversely affect rights under any outstanding Award without the holder's consent. The Administrator is specifically authorized to exercise its discretion to reduce the exercise price of outstanding Stock Options or Stock Appreciation Rights or effect the repricing of such Awards through cancellation and re-grants or cancellation of Stock Options or Stock Appreciation Rights in exchange for cash or other Awards. To the extent required under the rules of any securities exchange or market system on which the Stock is listed, to the extent determined by the Administrator to be required by the Code to ensure that Incentive Stock Options granted under the Plan are qualified under Section 422 of the Code, Plan amendments shall be subject to approval by Company stockholders. Nothing in this Section 16 shall limit the Administrator's authority to take any action permitted pursuant to Section 3(b) or 3(c).

SECTION 17. 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 Administrator shall otherwise expressly determine in connection with any Award or Awards. In its sole discretion, the Administrator may authorize the creation of trusts or other arrangements to meet the Company's obligations to deliver Stock or make payments with respect to Awards hereunder, provided that the existence of such trusts or other arrangements is consistent with the foregoing sentence.

SECTION 18. GENERAL PROVISIONS

(a) No Distribution. The Administrator may require each person acquiring Stock 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.

(b) Issuance of Stock. To the extent certificated, stock certificates to grantees under this 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. 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). Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any evidence of book entry or certificates evidencing shares of Stock pursuant to the exercise or settlement of any Award, unless and until the Administrator has determined, with advice of counsel (to the extent the Administrator deems such advice necessary or advisable), that the issuance and delivery is in compliance with all applicable laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the shares of Stock are listed, quoted or traded. Any Stock issued pursuant to the Plan shall be subject to any stop-transfer orders and other restrictions as the Administrator deems necessary or advisable to comply with federal, state or foreign jurisdiction, securities or other laws, rules and quotation system on which the Stock is listed, quoted or traded. The Administrator may place legends on any Stock certificate or notations on any book entry to reference restrictions applicable to the Stock. In addition to the terms and conditions provided herein, the Administrator may require that an individual make such reasonable covenants, agreements, and representations as the Administrator, in its discretion, deems necessary or advisable in order to comply with any such laws, regulations, or requirements. The Administrator shall have the right to require any individual to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Administrator.

(c) Stockholder Rights. Until Stock is deemed delivered in accordance with Section 18(b), no right to vote or receive dividends or any other rights of a stockholder will exist with respect to shares of Stock to be issued in connection with an Award, notwithstanding the exercise of a Stock Option or any other action by the grantee with respect to an Award.

(d) Other Compensation Arrangements; No Employment Rights. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, including trusts, and such arrangements may be either generally applicable or applicable only in specific cases. The adoption of this Plan and the grant of Awards do not confer upon any employee any right to continued employment with the Company or any Subsidiary.

(e) Trading Policy Restrictions. Option exercises and other Awards under the Plan shall be subject to the Company's insider trading policies and procedures, as in effect from time to time.

(f) Clawback Policy. Awards under the Plan shall be subject to the Company's clawback policy, as in effect from time to time.

SECTION 19. EFFECTIVE DATE OF PLAN

This Plan shall become effective upon the date immediately preceding the Registration Date subject to prior stockholder approval in accordance with applicable state law, the Company's bylaws and articles of incorporation, and applicable stock exchange rules. No grants of Stock Options and other Awards may be made hereunder after the tenth anniversary of the Effective Date and no grants of Incentive Stock Options may be made hereunder after the tenth anniversary of the date the Plan is approved by the Board.

SECTION 20. GOVERNING LAW

This Plan and all Awards and actions taken thereunder shall be governed by, and construed in accordance with, the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of the State of Delaware applied without regard to conflict of law principles.

DATE APPROVED BY BOARD OF DIRECTORS:

DATE APPROVED BY STOCKHOLDERS:

INCENTIVE STOCK OPTION AGREEMENT
UNDER THE ABSCI CORPORATION
2021 STOCK OPTION AND INCENTIVE PLAN

Name of Optionee: _____

No. of Option Shares: _____

Option Exercise Price per Share: $ _____
[FMV on Grant Date (110% of FMV if a 10% owner)]

Grant Date: _____

Expiration Date _____
[up to 10 years (5 if a 10% owner)]

Expiration Date

Pursuant to the Absci Corporation 2021 Stock Option and Incentive Plan as amended through the date hereof (the "Plan"), Absci Corporation (the "Company") hereby grants to the Optionee named above an option (the "Stock Option") to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value $0.0001 per share (the "Stock"), of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan.

1. Exercisability Schedule. No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated so long as the Optionee remains in a Service Relationship on such dates:

Incremental Number of Option Shares Exercisable*	Exercisability Date
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____

* Max. of $100,000 per yr.

Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.

2. Manner of Exercise.

(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of shares of Stock 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 any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; or (iii) 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 to pay the option purchase price, provided that in the event the Optionee chooses to pay the option 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 Administrator shall prescribe as a condition of such payment procedure; or (iv) a combination of (i), (ii) and (iii) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company's receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the Shares attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee's name shall have been

entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) The minimum number of shares with respect to which this Stock Option may be exercised at any one time shall be 100 shares, unless the number of shares with respect to which this Stock Option is being exercised is the total number of shares subject to exercise under this Stock Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination of Service Relationship. If the Optionee's Service Relationship is terminated, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee's Service Relationship terminates by reason of the Optionee's death, any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of death, may thereafter be exercised by the Optionee's legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of death shall terminate immediately and be of no further force or effect.

(b) Termination Due to Disability. If the Optionee's Service Relationship terminates by reason of the Optionee's disability (as determined by the Administrator), any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of such termination, may thereafter be exercised by the Optionee for a period of 12 months from the date of disability or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of disability shall terminate immediately and be of no further force or effect.

(c) Termination for Cause. If the Optionee's Service Relationship terminates for Cause, any portion of this Stock Option outstanding on such date shall terminate immediately and be of no further force and effect. .

(d) Other Termination. If the Optionee's Service Relationship terminates for any reason other than the Optionee's death, the Optionee's disability, or Cause, and unless otherwise determined by the Administrator, any portion of this Stock Option outstanding on such date 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. Any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

The Administrator'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.

4. 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, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.

6. Status of the Stock Option. This Stock Option is intended to qualify as an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), but the Company does not represent or warrant that this Stock Option qualifies as such. The Optionee should consult with his or her own tax advisors regarding the tax effects of this Stock Option and the requirements necessary to obtain favorable income tax treatment under Section 422 of the Code, including, but not limited to, holding period requirements. To the extent any portion of this Stock Option does not so qualify as an "incentive stock option," such portion shall be deemed to be a non-qualified stock option. If the Optionee intends to dispose or does dispose (whether by sale, gift, transfer or otherwise) of any Option Shares within the one-year period beginning on the date after the transfer of such shares to him or her, or within the two-year period beginning on the day after the grant of this Stock Option, he or she will so notify the Company within 30 days after such disposition.

7. Tax Withholding. The Optionee shall, not later than the date as of which the exercise of this Stock Option becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Company shall have the authority to cause the required tax withholding obligation to be satisfied, in whole or in part, by withholding from shares of Stock to be issued to the Optionee a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due.

8. No Obligation to Continue Service Relationship. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee's Service Relationship and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the Service Relationship of the Optionee at any time.

9. 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.

10. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or

professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Optionee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Optionee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Optionee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

11. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

ABSCI CORPORATION

By: _____

Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Optionee (including through an online acceptance process) is acceptable.

Dated: _____

_____

Optionee's Signature

Optionee's name and address:

_____

_____

_____

NON-QUALIFIED STOCK OPTION AGREEMENT
FOR COMPANY EMPLOYEES AND CONSULTANTS
UNDER THE ABSCI CORPORATION
2021 STOCK OPTION AND INCENTIVE PLAN

Name of Optionee: _____

No. of Option Shares: _____

Option Exercise Price per Share: $ _____
[FMV on Grant Date]

Grant Date: _____

Expiration Date

Pursuant to the Absci Corporation 2021 Stock Option and Incentive Plan as amended through the date hereof (the "Plan"), Absci Corporation (the "Company") hereby grants to the Optionee named above an option (the "Stock Option") to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value $0.0001 per share (the "Stock") of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan. This Stock Option is not intended to be an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended.

1. Exercisability Schedule. No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated so long as Optionee remains in a Service Relationship on such dates:

Incremental Number of Option Shares Exercisable	Exercisability Date
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____

Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.

2. Manner of Exercise.

(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of shares of Stock 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 any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) 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 to pay the option purchase price, provided that in the event the Optionee chooses to pay the option 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 Administrator shall prescribe as a condition of such payment procedure; (iv) by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; or (v) a combination of (i), (ii), (iii) and (iv) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company's receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the Shares attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer

agent shall have transferred the shares to the Optionee, and the Optionee's name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) The minimum number of shares with respect to which this Stock Option may be exercised at any one time shall be 100 shares, unless the number of shares with respect to which this Stock Option is being exercised is the total number of shares subject to exercise under this Stock Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination of Service Relationship. If the Optionee's Service Relationship is terminated, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee's Service Relationship terminates by reason of the Optionee's death, any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of death, may thereafter be exercised by the Optionee's legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of death shall terminate immediately and be of no further force or effect.

(b) Termination Due to Disability. If the Optionee's Service Relationship terminates by reason of the Optionee's disability (as determined by the Administrator), any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of such termination, may thereafter be exercised by the Optionee for a period of 12 months from the date of disability or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of disability shall terminate immediately and be of no further force or effect.

(c) Termination for Cause. If the Optionee's Service Relationship terminates for Cause, any portion of this Stock Option outstanding on such date shall terminate immediately and be of no further force and effect.

(d) Other Termination. If the Optionee's Service Relationship terminates for any reason other than the Optionee's death, the Optionee's disability or Cause, and unless otherwise determined by the Administrator, any portion of this Stock Option outstanding on such date 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. Any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

The Administrator'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.

4. 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, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.

6. Tax Withholding. The Optionee shall, not later than the date as of which the exercise of this Stock Option becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Company shall have the authority to cause the required tax withholding obligation to be satisfied, in whole or in part, by withholding from shares of Stock to be issued to the Optionee a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due.

7. No Obligation to Continue Service Relationship. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee's Service Relationship and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the Service Relationship of the Optionee at any time.

8. 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.

9. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Optionee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Optionee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Optionee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

10. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file

with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

ABSCI CORPORATION

By: _____

Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Optionee (including through an online acceptance process) is acceptable.

Dated: _____

_____

Optionee's Signature

Optionee's name and address:

_____

_____

_____

NON-QUALIFIED STOCK OPTION AGREEMENT
FOR NON-EMPLOYEE DIRECTORS
UNDER THE ABSCI CORPORATION
2021 STOCK OPTION AND INCENTIVE PLAN

Name of Optionee: _____

No. of Option Shares: _____

Option Exercise Price per Share: $ _____
[FMV on Grant Date]

Grant Date: _____

Expiration Date _____
[No more than 10 years]

Pursuant to the Absci Corporation 2021 Stock Option and Incentive Plan as amended through the date hereof (the "Plan"), Absci Corporation (the "Company") hereby grants to the Optionee named above, who is a Director of the Company but is not an employee of the Company, an option (the "Stock Option") to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value $0.0001 per share (the "Stock"), of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan. This Stock Option is not intended to be an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended.

1. Exercisability Schedule. No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated so long as the Optionee remains in a Service Relationship on such dates:

Incremental Number of Option Shares Exercisable	Exercisability Date
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____

Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.

2. Manner of Exercise.

(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of shares of Stock 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 any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) 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 to pay the option purchase price, provided that in the event the Optionee chooses to pay the option 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 Administrator shall prescribe as a condition of such payment procedure; (iv) by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; or (v) a combination of (i), (ii), (iii) and (iv) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company's receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the Shares attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer

agent shall have transferred the shares to the Optionee, and the Optionee's name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) The minimum number of shares with respect to which this Stock Option may be exercised at any one time shall be 100 shares, unless the number of shares with respect to which this Stock Option is being exercised is the total number of shares subject to exercise under this Stock Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination of Service Relationship. If the Optionee's Service Relationship terminates, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee's Service Relationship terminates by reason of the Optionee's death, any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of death, may thereafter be exercised by the Optionee's legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of death shall terminate immediately and be of no further force or effect.

(b) Other Termination. If the Optionee's Service Relationship terminates for any reason other than the Optionee's death, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date the Optionee's Service Relationship terminates, for a period of six months from the date the Optionee's Service Relationship terminates or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date the Optionee's Service Relationship terminates immediately and be of no further force or effect.

4. 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, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.

6. No Obligation to Continue in Service. Neither the Plan nor this Stock Option confers upon the Optionee any rights with respect to continuance as a Director or in any other Service Relationship.

7. 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.

8. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Optionee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Optionee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Optionee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

9. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

ABSCI CORPORATION

By: _____

Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Optionee (including through an online acceptance process) is acceptable.

Dated: _____

_____

Optionee's Signature

Optionee's name and address:

_____

_____

_____

RESTRICTED STOCK UNIT AWARD AGREEMENT
FOR COMPANY EMPLOYEES AND CONSULTANTS
UNDER THE ABSCI CORPORATION
2021 STOCK OPTION AND INCENTIVE PLAN

Name of Garntee: _____

No. of Restricted Stock Units: _____

Grant Date: _____

Pursuant to the Absci Corporation 2021 Stock Option and Incentive Plan as amended through the date hereof (the "Plan"), Absci Corporation (the "Company") hereby grants an award of the number of Restricted Stock Units listed above (an "Award") to the Grantee named above. Each Restricted Stock Unit shall relate to one share of Common Stock, par value $0.0001 per share (the "Stock") of the Company.

1. Restrictions on Transfer of Award. This Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Grantee, and any shares of Stock issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (i) the Restricted Stock Units have vested as provided in Paragraph 2 of this Agreement and (ii) shares of Stock have been issued to the Grantee in accordance with the terms of the Plan and this Agreement.

2. Vesting of Restricted Stock Units. The restrictions and conditions of Paragraph 1 of this Agreement shall lapse on the Vesting Date or Dates specified in the following schedule so long as the Grantee remains in a Service Relationship on such Dates. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 1 shall lapse only with respect to the number of Restricted Stock Units specified as vested on such date.

Incremental Number of Restricted Stock Units Vested	Vesting Date
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____

The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 2.

3. Termination of Service Relationship. If the Grantee's Service Relationship terminates for any reason (including death or disability) prior to the satisfaction of the vesting conditions set forth in Paragraph 2 above, any Restricted Stock Units that have not vested as of such date shall automatically and without notice terminate and be forfeited, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested Restricted Stock Units.

4. Issuance of Shares of Stock. As soon as practicable following each Vesting Date (but in no event later than two and one-half months after the end of the year in which the Vesting Date occurs), the Company shall issue to the Grantee the number of shares of Stock equal to the aggregate number of Restricted Stock Units that have vested pursuant to Paragraph 2 of this Agreement on such date and the Grantee shall thereafter have all the rights of a stockholder of the Company with respect to such shares.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. Tax Withholding. The Grantee shall, not later than the date as of which the receipt of this Award becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Company shall have the authority to cause the required tax withholding obligation to be satisfied, in whole or in part, by withholding from shares of Stock to be issued to the Grantee a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due.

7. Section 409A of the Code. This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the Award are exempt from the requirements of Section 409A of the Code as "short-term deferrals" as described in Section 409A of the Code.

8. No Obligation to Continue Service Relationship. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Grantee's Service Relationship and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the Service Relationship of the Grantee at any time.

9. 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.

10. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant

Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

11. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

ABSCI CORPORATION

By: _____

Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: _____

_____

Optionee's Signature

Optionee's name and address:

_____

_____

_____

RESTRICTED STOCK UNIT AWARD AGREEMENTFOR NON-EMPLOYEE DIRECTORS UNDER THE ABSCI CORPORATION 2021 STOCK OPTION AND INCENTIVE PLAN

Name of Garntee: _____

No. of Restricted Stock Units: _____

Grant Date: _____

Pursuant to the Absci Corporation 2021 Stock Option and Incentive Plan as amended through the date hereof (the "Plan"), Absci Corporation (the "Company") hereby grants an award of the number of Restricted Stock Units listed above (an "Award") to the Grantee named above. Each Restricted Stock Unit shall relate to one share of Common Stock, par value $0.0001 per share (the "Stock") of the Company.

1. Restrictions on Transfer of Award. This Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Grantee, and any shares of Stock issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (i) the Restricted Stock Units have vested as provided in Paragraph 2 of this Agreement and (ii) shares of Stock have been issued to the Grantee in accordance with the terms of the Plan and this Agreement.

2. Vesting of Restricted Stock Units. The restrictions and conditions of Paragraph 1 of this Agreement shall lapse on the Vesting Date or Dates specified in the following schedule so long as the Grantee remains in a Service Relationship on such Dates. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 1 shall lapse only with respect to the number of Restricted Stock Units specified as vested on such date.

Incremental Number of Restricted Stock Units Vested	Vesting Date
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____

The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 2.

3. Termination of Service Relationship. If the Grantee's Service Relationship terminates for any reason (including death or disability) prior to the satisfaction of the vesting conditions set forth in Paragraph 2 above, any Restricted Stock Units that have not vested as of such date shall automatically and without notice terminate and be forfeited, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested Restricted Stock Units.

4. Issuance of Shares of Stock. As soon as practicable following each Vesting Date (but in no event later than two and one-half months after the end of the year in which the Vesting Date occurs), the Company shall issue to the Grantee the number of shares of Stock equal to the aggregate number of Restricted Stock Units that have vested pursuant to Paragraph 2 of this Agreement on such date and the Grantee shall thereafter have all the rights of a stockholder of the Company with respect to such shares.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. Section 409A of the Code. This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the Award are exempt from the requirements of Section 409A of the Code as "short-term deferrals" as described in Section 409A of the Code.

7. No Obligation to Continue in Service. Neither the Plan nor this Award confers upon the Grantee any rights with respect to continuance as a Director or in any other Service Relationship.

8. 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.

9. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

10. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

ABSCI CORPORATION

By: _____

Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: _____

_____

Optionee's Signature

Optionee's name and address:

_____

_____

_____

RESTRICTED STOCK AWARD AGREEMENT
UNDER THE ABSCI CORPORATION
2021 STOCK OPTION AND INCENTIVE PLAN

Name of Garntee: _____

No. of Restricted Stock Units: _____

Grant Date: _____

Pursuant to the Absci Corporation 2021 Stock Option and Incentive Plan (the "Plan") as amended through the date hereof, Absci Corporation (the "Company") hereby grants a Restricted Stock Award (an "Award") to the Grantee named above. Upon acceptance of this Award, the Grantee shall receive the number of shares of Common Stock, par value $0.0001 per share (the "Stock") of the Company specified above, subject to the restrictions and conditions set forth herein and in the Plan. The Company acknowledges the receipt from the Grantee of consideration with respect to the par value of the Stock in the form of cash, past or future services rendered to the Company by the Grantee or such other form of consideration as is acceptable to the Administrator.

1. Award. The shares of Restricted Stock awarded hereunder shall be issued and held by the Company's transfer agent in book entry form, and the Grantee's name shall be entered as the stockholder of record on the books of the Company. Thereupon, the Grantee shall have all the rights of a stockholder with respect to such shares, including voting and dividend rights, subject, however, to the restrictions and conditions specified in Paragraph 2 below. The Grantee shall (i) sign and deliver to the Company a copy of this Award Agreement and (ii) deliver to the Company a stock power endorsed in blank.

2. Restrictions and Conditions.

(a) Any book entries for the shares of Restricted Stock granted herein shall bear an appropriate legend, as determined by the Administrator in its sole discretion, to the effect that such shares are subject to restrictions as set forth herein and in the Plan.

(b) Shares of Restricted Stock granted herein may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of by the Grantee prior to vesting.

(c) If the Grantee's employment with the Company and its Subsidiaries is voluntarily or involuntarily terminated for any reason (including death) prior to vesting of shares of Restricted Stock granted herein, all shares of Restricted Stock shall immediately and automatically be forfeited and returned to the Company.

3. Vesting of Restricted Stock. The restrictions and conditions in Paragraph 2 of this Agreement shall lapse on the Vesting Date or Dates specified in the following schedule so long as the Grantee remains in a Service Relationship on such Dates. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 2 shall lapse only with respect to the number of shares of Restricted Stock specified as vested on such date.

Incremental Number of Shares Vested	Vesting Date
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____

Subsequent to such Vesting Date or Dates, the shares of Stock on which all restrictions and conditions have lapsed shall no longer be deemed Restricted Stock. The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 3.

4. Dividends. Dividends on shares of Restricted Stock shall be paid currently to the Grantee.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Award shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. Transferability. This Agreement is personal to the Grantee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution.

7. Tax Withholding. The Grantee shall, not later than the date as of which the receipt of this Award becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. Except in the case where an election is made pursuant to Paragraph 8 below, the Company shall have the authority to cause the required tax withholding obligation to be satisfied, in whole or in part, by withholding from shares of Stock to be issued or released by the transfer agent a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due.

8. Election Under Section 83(b). The Grantee and the Company hereby agree that the Grantee may, within 30 days following the Grant Date of this Award, file with the Internal Revenue Service and the Company an election under Section 83(b) of the Internal Revenue Code. In the event the Grantee makes such an election, he or she agrees to provide a copy of the election to the Company. The Grantee acknowledges that he or she is responsible for obtaining the advice of his or her tax advisors with regard to the Section 83(b) election and that he or she is relying solely on such advisors and not on any statements or representations of the Company or any of its agents with regard to such election.

9. No Obligation to Continue Service Relationship. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Grantee's

Service Relationship and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the Service Relationship of the Grantee at any time.

10. 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.

11. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

12. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

ABSCI CORPORATION

By: _____

Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: _____

_____

Optionee's Signature

Optionee's name and address:

_____

_____

_____

ABSCI CORPORATION

2021 EMPLOYEE STOCK PURCHASE PLAN

The purpose of the Absci Corporation 2021 Employee Stock Purchase Plan (the "Plan") is to provide eligible employees of Absci Corporation (the "Company") and each Designated Subsidiary (as defined in Section 11) with opportunities to purchase shares of the Company's common stock, par value $0.0001 per share (the "Common Stock"). An aggregate of 903,750 shares of Common Stock have been approved and reserved for this purpose, plus on January 1, 2022, and each January 1 thereafter through January 1, 2031, the number of shares of Common Stock reserved and available for issuance under the Plan shall be cumulatively increased by the least of (i) 1,807,500 shares of Common Stock, (ii) one percent (1%) of the number of shares of Common Stock issued and outstanding on the immediately preceding December 31st, or (iii) such number of shares of Common Stock as determined by the Administrator.

The Plan includes two components: a Code Section 423 Component (the "423 Component") and a non-Code Section 423 Component (the "Non-423 Component"). It is intended for the 423 Component to constitute an "employee stock purchase plan" within the meaning of Section 423(b) of the Internal Revenue Code of 1986, as amended (the "Code"), and the 423 Component shall be interpreted in accordance with that intent. Under the Non-423 Component, which does not qualify as an "employee stock purchase plan" within the meaning of Section 423(b) of the Code, options will be granted pursuant to rules, procedures or sub-plans adopted by the Administrator designed to achieve tax, securities laws or other objectives for eligible employees. Except as otherwise provided herein, the Non-423 Component will operate and be administered in the same manner as the 423 Component.

1. Administration. The Plan will be administered by the person or persons (the "Administrator") appointed by the Company's Board of Directors (the "Board") for such purpose. The Administrator has authority at any time to: (i) adopt, alter and repeal such rules, guidelines and practices for the administration of the Plan and for its own acts and proceedings as it shall deem advisable; (ii) interpret the terms and provisions of the Plan; (iii) make all determinations it deems advisable for the administration of the Plan; (iv) decide all disputes arising in connection with the Plan; and (v) otherwise supervise the administration of the Plan. All interpretations and decisions of the Administrator shall be binding on all persons, including the Company and the Participants. No member of the Board or individual exercising administrative authority with respect to the Plan shall be liable for any action or determination made in good faith with respect to the Plan or any option granted hereunder.

2. Offerings. The Company may make one or more offerings to eligible employees to purchase Common Stock under the Plan ("Offerings"). Unless otherwise determined by the Administrator, the initial Offering and each subsequent Offering will begin and end on dates to be determined by the Administrator. The Administrator may, in its discretion, designate a different period for any Offering, provided that no Offering shall exceed 27 months in duration or overlap any other Offering.

3. Eligibility. All individuals classified as employees on the payroll records of the Company and each Designated Subsidiary are eligible to participate in any one or more of the Offerings under the Plan, provided that as of the first day of the applicable Offering (the "Offering Date") they are customarily employed by the Company or a Designated Subsidiary for more than 20 hours a week (or such lesser number of hours per week as the Administrator shall determine in advance of an Offering) and have completed such period of service prior to the

Offering Date as the Administrator may require (but in no event will the required period of continuous employment be equal to or greater than two (2) years). The Administrator may exclude from participation in the Plan or any Offering employees who are "highly compensated employees" of the Company or a Designated Subsidiary (within the meaning of Section 414(q) of the Code) or a sub-set of such highly compensated employees. In the event any such individuals are reclassified as employees of the Company or a Designated Subsidiary for any purpose, including, without limitation, common law or statutory employees, by any action of any third party, including, without limitation, any government agency, or as a result of any private lawsuit, action or administrative proceeding, such individuals shall, notwithstanding such reclassification, remain ineligible for participation. Notwithstanding the foregoing, the exclusive means for individuals who are not contemporaneously classified as employees of the Company or a Designated Subsidiary on the Company's or Designated Subsidiary's payroll system to become eligible to participate in this Plan is through an amendment to this Plan, duly executed by the Company, which specifically renders such individuals eligible to participate herein.

4. Participation.

(a) Participants. An eligible employee who is not a Participant in any prior Offering may participate in a subsequent Offering by submitting an enrollment form to his or her appropriate payroll location at least 15 business days before the Offering Date (or by such other deadline as shall be established by the Administrator for the Offering).

(b) Enrollment. The enrollment form will (a) state a whole percentage or amount to be deducted from an eligible employee's Compensation (as defined in Section 11) per pay period, (b) authorize the purchase of Common Stock in each Offering in accordance with the terms of the Plan and (c) specify the exact name or names in which shares of Common Stock

purchased for such individual are to be issued pursuant to Section 10. An employee who does not enroll in accordance with these procedures will be deemed to have waived the right to participate. Unless a Participant files a new enrollment form or withdraws from the Plan, such Participant's deductions and purchases will continue at the same percentage or amount of Compensation for future Offerings, provided he or she remains eligible.

(c) Notwithstanding the foregoing, participation in the Plan will neither be permitted nor be denied contrary to the requirements of the Code.

5. Employee Contributions. Each eligible employee may authorize payroll deductions at a minimum of one percent (1%) up to a maximum of fifteen percent (15%) of such employee's Compensation for each pay period (or such other percentage as the Administrator may establish from time to time before an Offering begins). The Company will maintain book accounts showing the amount of payroll deductions made by each Participant for each Offering. No interest will accrue or be paid on payroll deductions.

6. Deduction Changes. Except as may be determined by the Administrator in advance of an Offering, a Participant may not increase or decrease his or her payroll deduction during any Offering, but may increase or decrease his or her payroll deduction with respect to the next Offering (subject to the limitations of Section 5) by filing a new enrollment form at least fifteen (15) business days before the next Offering Date (or by such other deadline as shall be established by the Administrator for the Offering). The Administrator may, in advance of any Offering, establish rules permitting a Participant to increase, decrease or terminate his or her payroll deduction during an Offering.

7. Withdrawal. A Participant may withdraw from participation in the Plan by delivering a written notice of withdrawal to his or her appropriate payroll location. The

Participant's withdrawal will be effective as of the next business day. Following a Participant's withdrawal, the Company will promptly refund such individual's entire account balance under the Plan to him or her (after payment for any Common Stock purchased before the effective date of withdrawal). Partial withdrawals are not permitted. Such an employee may not begin participation again during the remainder of the Offering, but may enroll in a subsequent Offering in accordance with Section 4.

8. Grant of Options. On each Offering Date, the Company will grant to each eligible employee who is then a Participant in the Plan an option ("Option") to purchase on the last day of such Offering (the "Exercise Date"), at the Option Price hereinafter provided for, the lowest of (a) a number of shares of Common Stock determined by dividing such Participant's accumulated payroll deductions on such Exercise Date by the Option Price (as defined herein), (b) the number of shares determined by dividing $25,000 by the Fair Market Value of the Common Stock on the Offering Date for such Offering; or (c) such other lesser maximum number of shares as shall have been established by the Administrator in advance of the Offering; provided, however, that such Option shall be subject to the limitations set forth below. Each Participant's Option shall be exercisable only to the extent of such Participant's accumulated payroll deductions on the Exercise Date. The purchase price for each share purchased under each Option (the "Option Price") will be eighty-five percent (85%) of the Fair Market Value of the Common Stock on the Offering Date or the Exercise Date, whichever is less.

Notwithstanding the foregoing, no Participant may be granted an option hereunder if such Participant, immediately after the option was granted, would be treated as owning stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or any Parent or Subsidiary (as defined in Section 11). For purposes of

the preceding sentence, the attribution rules of Section 424(d) of the Code shall apply in determining the stock ownership of a Participant, and all stock which the Participant has a contractual right to purchase shall be treated as stock owned by the Participant. In addition, no Participant may be granted an Option which permits such Participant rights to purchase stock under the Plan, and any other employee stock purchase plan of the Company and its Parents and Subsidiaries, to accrue at a rate which exceeds $25,000 of the fair market value of such stock (determined on the option grant date or dates) for each calendar year in which the Option is outstanding at any time. The purpose of the limitation in the preceding sentence is to comply with Section 423(b)(8) of the Code and shall be applied taking Options into account in the order in which they were granted.

9. Exercise of Option and Purchase of Shares. Each employee who continues to be a Participant in the Plan on the Exercise Date shall be deemed to have exercised his or her Option on such date and shall acquire from the Company such number of whole shares of Common Stock reserved for the purpose of the Plan as his or her accumulated payroll deductions on such date will purchase at the Option Price, subject to any other limitations contained in the Plan. Any amount remaining in a Participant's account at the end of an Offering solely by reason of the inability to purchase a fractional share will be carried forward to the next Offering; any other balance remaining in a Participant's account at the end of an Offering will be refunded to the Participant promptly.

10. Issuance of Certificates. Certificates or book-entries at the Company's transfer agent representing shares of Common Stock purchased under the Plan may be issued only in the name of the employee, in the name of the employee and another person of legal age as joint

tenants with rights of survivorship, or in the name of a broker authorized by the employee to be his, her or their nominee for such purpose.

11. Definitions.

The term “Compensation” means the regular or basic rate of compensation. The Administrator, in its discretion, may establish a different definition of Compensation for an Offering, which for the Section 423 Component shall apply on a uniform and nondiscriminatory basis. Further, the Administrator will have discretion to determine the application of this definition to eligible employees outside the United States.

The term “Designated Subsidiary” means any present or future Subsidiary (as defined below) that has been designated by the Board to participate in the Plan. The Board may so designate any Subsidiary, or revoke any such designation, at any time and from time to time, either before or after the Plan is approved by the stockholders.

The term “Fair Market Value of the Common Stock” on any given date means the fair market value of the Common Stock determined in good faith by the Administrator; provided, however, that if the Common Stock is admitted to quotation on the National Association of Securities Dealers Automated Quotation System (“NASDAQ”), the NASDAQ Global Market, The New York Stock Exchange or another national securities exchange, the determination shall be made by reference to the closing price on such date. 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.

The term “Parent” means a “parent corporation” with respect to the Company, as defined in Section 424(e) of the Code.

The term “Participant” means an individual who is eligible as determined in Section 3 and who has complied with the provisions of Section 4.

The term “Subsidiary” means a “subsidiary corporation” with respect to the Company, as defined in Section 424(f) of the Code.

12. Rights on Termination of Employment. If a Participant’s employment terminates for any reason before the Exercise Date for any Offering, no payroll deduction will be taken from any pay due and owing to the Participant and the balance in the Participant’s account will be paid to such Participant or, in the case of such Participant’s death, to his or her designated beneficiary as if such Participant had withdrawn from the Plan under Section 7. An employee will be deemed to have terminated employment, for this purpose, if the corporation that employs him or her, having been a Designated Subsidiary, ceases to be a Subsidiary, or if the employee is transferred to any corporation other than the Company or a Designated Subsidiary; provided, however, that if a Participant transfers from an Offering under the 423 Component to an Offering under the Non-423 Component, the exercise of the Participant’s Option will be qualified under the 423 Component only to the extent that such exercise complies with Section 423 of the Code. If a Participant transfers from an Offering under the Non-423 Component to an Offering under the 423 Component, the exercise of the Participant’s Option will remain non-qualified under the Non-423 Component. An employee will not be deemed to have terminated employment for this purpose if the employee is on an approved leave of absence for military service or sickness or for any other purpose approved by the Company, if the employee’s right to reemployment 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 Administrator otherwise provides in writing.

13. Special Rules and Sub-Plans. Notwithstanding anything herein to the contrary, the Administrator may adopt special rules applicable to the employees of a particular Designated Subsidiary whenever the Administrator determines that such rules are necessary or appropriate for the implementation of the Plan in a jurisdiction where such Designated Subsidiary has employees; provided that if such special rules or sub-plans are inconsistent with the requirements of Section 423(b) of the Code, the employees subject to such special rules or sub-plans will participate in the Non-423 Component. Any special rules or sub-plans established pursuant to this Section 13 shall, to the extent possible, result in the employees subject to such rules having substantially the same rights as other Participants in the Plan.

14. Optionees Not Stockholders. Neither the granting of an Option to a Participant nor the deductions from his or her pay shall constitute such Participant a holder of the shares of Common Stock covered by an Option under the Plan until such shares have been purchased by and issued to the Participant.

15. Rights Not Transferable. Rights under the Plan are not transferable by a Participant other than by will or the laws of descent and distribution, and are exercisable during the Participant's lifetime only by the Participant.

16. Application of Funds. All funds received or held by the Company under the Plan may be combined with other corporate funds and may be used for any corporate purpose.

17. Adjustment in Case of Changes Affecting Common Stock. In the event of a subdivision of outstanding shares of Common Stock, the payment of a dividend in Common Stock or any other change affecting the Common Stock, the number of shares approved for the Plan and any other share limitations in the Plan shall be equitably or proportionately adjusted to give proper effect to such event.

18. Amendment of the Plan. The Board may at any time and from time to time amend the Plan in any respect, except that without the approval within twelve (12) months of such Board action by the stockholders, no amendment shall be made increasing the number of shares approved for the Plan or making any other change that would require stockholder approval in order for the 423 Component of the Plan, as amended, to qualify as an "employee stock purchase plan" under Section 423(b) of the Code.

19. Insufficient Shares. If the total number of shares of Common Stock that would otherwise be purchased on any Exercise Date plus the number of shares purchased under previous Offerings under the Plan exceeds the maximum number of shares issuable under the Plan, the shares then available shall be apportioned among Participants in proportion to the amount of payroll deductions accumulated on behalf of each Participant that would otherwise be used to purchase Common Stock on such Exercise Date.

20. Termination of the Plan. The Plan may be terminated at any time by the Board. Upon termination of the Plan, all amounts in the accounts of Participants shall be promptly refunded.

21. Governmental Regulations. The Company's obligation to sell and deliver Common Stock under the Plan is subject to obtaining all governmental approvals required in connection with the authorization, issuance, or sale of such stock.

22. Governing Law. This Plan and all Options and actions taken thereunder shall be governed by, and construed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of the State of Delaware, applied without regard to conflict of law principles.

23. Issuance of Shares. Shares may be issued upon exercise of an Option from authorized but unissued Common Stock, from shares held in the treasury of the Company, or from any other proper source.

24. Tax Withholding. Participation in the Plan is subject to any minimum required tax withholding on income of the Participant in connection with the Plan. Each Participant agrees, by entering the Plan, that the Company and its Subsidiaries shall have the right to deduct any such taxes from any payment of any kind otherwise due to the Participant, including shares issuable under the Plan.

25. Notification Upon Sale of Shares Under the 423 Component. Each Participant agrees, by entering the 423 Component of the Plan, to give the Company prompt notice of any disposition of shares purchased under the Plan where such disposition occurs within two (2) years after the date of grant of the Option pursuant to which such shares were purchased or within one (1) year after the date such shares were purchased.

26. Effective Date. This Plan shall become effective upon the date immediately preceding the date upon which the registration statement on Form S-1 that is filed by the Company with respect to its initial public offering is declared effective by the Securities and Exchange Commission following stockholder approval in accordance with applicable state law, the Company's bylaws and articles of incorporation, each as amended, and applicable stock exchange rules.

ABSCI CORPORATION
SENIOR EXECUTIVE CASH INCENTIVE BONUS PLAN

1. Purpose

This Senior Executive Cash Incentive Bonus Plan (the "Incentive Plan") is intended to provide an incentive for superior work and to motivate eligible executives of Absci Corporation (the "Company") and its subsidiaries toward even higher achievement and business results, to tie their goals and interests to those of the Company and its stockholders and to enable the Company to attract and retain highly qualified executives. The Incentive Plan is for the benefit of Covered Executives (as defined below).

2. Covered Executives

From time to time, the Compensation Committee of the Board of Directors of the Company (the "Compensation Committee") may select certain key executives (the "Covered Executives") to be eligible to receive bonuses hereunder. Participation in this Plan does not change the "at will" nature of a Covered Executive's employment with the Company.

3. Administration

The Compensation Committee shall have the sole discretion and authority to administer and interpret the Incentive Plan.

4. Bonus Determinations

(a) Corporate Performance Goals. A Covered Executive may receive a bonus payment under the Incentive Plan based upon the attainment of one or more performance objectives that are established by the Compensation Committee and relate to financial and operational metrics with respect to the Company or any of its subsidiaries (the "Corporate Performance Goals"), including: research and development, publication, clinical and/or regulatory milestones; cash flow (including, but not limited to, operating cash flow and free cash flow); revenue; corporate revenue; earnings before interest, taxes, depreciation and amortization; net income (loss) (either before or after interest, taxes, depreciation and/or amortization); changes in the market price of our common stock; economic value-added; acquisitions or strategic transactions, including collaborations, joint ventures or promotion arrangements; operating income (loss); return on capital, assets, equity, or investment; stockholder returns; return on sales; gross or net profit levels; productivity; expense efficiency; margins; operating efficiency; customer satisfaction; working capital; earnings (loss) per share of our common stock; bookings, new bookings or renewals; sales or market shares; number of customers, number of new customers or customer references; operating income and/or net annual recurring revenue; or any other performance goal selected by the Compensation Committee, any of which may be (A) measured in absolute terms or compared to any incremental increase, (B) measured in terms of growth, (C) compared to another company or companies or to results of a peer group, (D) measured against the market as a whole and/or as compared to applicable market indices

and/or (E) measured on a pre-tax or post-tax basis (if applicable). Further, any Corporate Performance Goals may be used to measure the performance of the Company as a whole or a business unit or other segment of the Company, or one or more product lines or specific markets. The Corporate Performance Goals may differ from Covered Executive to Covered Executive.

(b) Calculation of Corporate Performance Goals. At the beginning of each applicable performance period, the Compensation Committee will determine whether any significant element(s) will be included in or excluded from the calculation of any Corporate Performance Goal with respect to any Covered Executive. In all other respects, Corporate Performance Goals will be calculated in accordance with the Company's financial statements, generally accepted accounting principles, or under a methodology established by the Compensation Committee at the beginning of the performance period and that is consistently applied with respect to a Corporate Performance Goal in the relevant performance period.

(c) Target; Minimum; Maximum. Each Corporate Performance Goal shall have a "target" (100 percent attainment of the Corporate Performance Goal) and may also have a "minimum" hurdle and/or a "maximum" amount.

(d) Bonus Requirements; Individual Goals. Except as otherwise set forth in this Section 4(d): (i) any bonuses paid to Covered Executives under the Incentive Plan shall be based upon objectively determinable bonus formulas that tie such bonuses to one or more performance targets relating to the Corporate Performance Goals, (ii) bonus formulas for Covered Executives shall be adopted in each performance period by the Compensation Committee and communicated to each Covered Executive at the beginning of each performance period and (iii) no bonuses shall be paid to Covered Executives unless and until the Compensation Committee makes a determination with respect to the attainment of the performance targets relating to the Corporate Performance Goals. Notwithstanding the foregoing, the Compensation Committee may adjust bonuses payable under the Incentive Plan based on achievement of one or more individual performance objectives or pay bonuses (including, without limitation, discretionary bonuses) to Covered Executives under the Incentive Plan based on individual performance goals and/or upon such other terms and conditions as the Compensation Committee may in its discretion determine.

(e) Individual Target Bonuses. The Compensation Committee shall establish a target bonus opportunity for each Covered Executive for each performance period. For each Covered Executive, the Compensation Committee shall have the authority to apportion the target award so that a portion of the target award shall be tied to attainment of Corporate Performance Goals and a portion of the target award shall be tied to attainment of individual performance objectives.

(f) Employment Requirement. Subject to any additional terms contained in a written agreement between the Covered Executive and the Company, the payment of a bonus to a Covered Executive with respect to a performance period shall be conditioned upon the Covered Executive's employment by the Company on the bonus payment date. If a Covered Executive was not employed for an entire performance period, the Compensation Committee may pro rate the bonus based on the number of days employed during such period.

5. Timing of Payment

(a) With respect to Corporate Performance Goals established and measured on a basis more frequently than annually (e.g., quarterly or semi-annually), the Corporate Performance Goals will be measured at the end of each performance period after the Company's financial reports with respect to such period(s) have been published. If the Corporate Performance Goals and/or individual goals for such period are met, payments will be made as soon as practicable following the end of such period, but not later 74 days after the end of the fiscal year in which such performance period ends.

(b) With respect to Corporate Performance Goals established and measured on an annual or multi-year basis, Corporate Performance Goals will be measured as of the end of each such performance period (e.g., the end of each fiscal year) after the Company's financial reports with respect to such period(s) have been published. If the Corporate Performance Goals and/or individual goals for any such period are met, bonus payments will be made as soon as practicable, but not later than 74 days after the end of the relevant fiscal year.

(c) For the avoidance of doubt, bonuses earned at any time in a fiscal year must be paid no later than 74 days after the last day of such fiscal year.

6. Amendment and Termination

The Company reserves the right to amend or terminate the Incentive Plan at any time in its sole discretion.

7. Company Recoupment Rights

A Covered Executive's rights with respect to any award granted pursuant to the Incentive Plan shall in all events be subject to reduction, cancellation, forfeiture or recoupment to the extent necessary to comply with (i) any right that the Company may have under any Company clawback, forfeiture or recoupment policy as in effect from time to time or other agreement or arrangement with a Covered Executive, or (ii) applicable law.

ABSCI CORPORATION

NON-EMPLOYEE DIRECTOR COMPENSATION POLICY

The purpose of this Non-Employee Director Compensation Policy (the "Policy") of Absci Corporation (the "Company") is to provide a total compensation package that enables the Company to attract and retain, on a long-term basis, high-caliber directors who are not employees or officers of the Company or its subsidiaries ("Outside Directors"). This Policy will become effective as of the effective time of the registration statement for the Company's initial public offering of its equity securities (the "Effective Date"). In furtherance of the purpose stated above, all Outside Directors shall be paid compensation for services provided to the Company as set forth below:

Cash Retainers

Annual Retainer for Board Membership: $40,000 for general availability and participation in meetings and conference calls of our Board of Directors, to be paid quarterly in arrears, pro-rated based on the number of actual days served by the director during such calendar quarter. No additional compensation will be paid for attending individual meetings of the Board of Directors.

Additional Annual Retainer for Non-Executive Chair:	$35,000
Additional Annual Retainers for Committee Membership:	
Audit Committee Chair:	$20,000
Audit Committee member:	$10,000
Compensation Committee Chair:	$15,000
Compensation Committee member:	$7,500
Nominating and Corporate Governance Committee Chair:	$10,000
Nominating and Corporate Governance Committee member:	$5,000

Chair and committee member retainers are in addition to retainers for members of the Board of Directors. No additional compensation will be paid for attending individual committee meetings of the Board of Directors.

Equity Retainers

Initial Award: An initial, one-time stock option award (the "Initial Award") to purchase 45,180 shares will be granted to each new Outside Director upon his or her election to the Board of Directors, which shall vest in equal monthly installments over three years from the date of grant, provided, however, that all vesting shall cease if the director resigns from the Board of Directors or otherwise ceases to serve as a director, unless the Board of Directors determines that the circumstances warrant continuation of vesting. The Initial Award shall expire ten years from the date of grant, and shall have a per share exercise price equal to the Fair Market Value (as defined in the Company's 2021 Stock Option and Incentive Plan) of the Company's

common stock on the date of grant. This Initial Award applies only to Outside Directors who are first elected to the Board of Directors subsequent to the Effective Date.

Annual Award: On each date of each Annual Meeting of Stockholders of the Company following the Effective Date (the "Annual Meeting"), each continuing Outside Director, other than a director receiving an Initial Award, will receive an annual stock option award (the "Annual Award") to purchase 22,590 shares, which shall vest in full upon the earlier of (i) the first anniversary of the date of grant or (ii) the date of the next Annual Meeting; provided, however, that all vesting shall cease if the director resigns from the Board of Directors or otherwise ceases to serve as a director, unless the Board of Directors determines that the circumstances warrant continuation of vesting. Such Annual Award shall expire ten years from the date of grant, and shall have a per share exercise price equal to the Fair Market Value (as defined in the Company's 2021 Stock Option and Incentive Plan) of the Company's common stock on the date of grant.

Sale Event Acceleration: All outstanding Initial Awards and Annual Awards held by an Outside Director shall become fully vested and exercisable upon a Sale Event (as defined in the Company's 2021 Stock Option and Incentive Plan).

Expenses

The Company will reimburse all reasonable out-of-pocket expenses incurred by non-employee directors in attending meetings of the Board of Directors or any committee thereof.

Maximum Annual Compensation

The aggregate amount of compensation, including both equity compensation and cash compensation, paid by the Company to any Outside Director for service as an Outside Director in a calendar year for services as an Outside Director period shall not exceed $1,000,000; provided, however, that such amount shall be $1,250,000 for the calendar year in which the applicable Outside Director is initially elected or appointed to the Board of Directors; (or such other limits as may be set forth in Section 3(b) of the Company's 2021 Stock Option and Incentive Plan or any similar provision of a successor plan). For this purpose, the "amount" of equity compensation paid in a calendar year shall be determined based on the grant date fair value thereof, as determined in accordance with FASB ASC Topic 718 or its successor provision, but excluding the impact of estimated forfeitures related to service-based vesting conditions.

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made between Absci Corporation, a Delaware corporation (the "Company"), and Sean McClain (the "Executive") and is effective as of the closing of the Company's first underwritten public offering of its equity securities pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Effective Date"). Except with respect to the Equity Documents (as defined below) and subject to Section 11, this Agreement supersedes in all respects all prior agreements between the Executive and the Company regarding the subject matter herein, including without limitation any other offer letter, employment agreement or severance agreement.

WHEREAS, the Company desires to continue to employ the Executive and the Executive desires to continue to be employed by the Company on the new terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Employment.

(a) Term. The Company shall employ the Executive and the Executive shall be employed by the Company pursuant to this Agreement commencing as of the Effective Date and continuing until such employment is terminated in accordance with the provisions hereof (the "Term"). The Executive's employment with the Company shall continue to be "at will," meaning that the Executive's employment may be terminated by the Company or the Executive at any time and for any reason subject to the terms of this Agreement.

(b) Position and Duties. The Executive shall serve as the Founder and Chief Executive Officer of the Company and shall have such powers and duties as may from time to time be prescribed by the Board of Directors (the "Board"). In addition, the Company shall cause the Executive to be nominated for election to the Board and to be recommended to the stockholders for election to the Board as long as the Executive remains the CEO; *provided* that the Executive shall be deemed to have resigned from the Board and from any related positions upon ceasing to serve as CEO for any reason. The Executive shall devote the Executive's full working time and efforts to the business and affairs of the Company. Notwithstanding the foregoing, the Executive may serve on other boards of directors, with the approval of the Board, or engage in religious, charitable or other community activities as long as such services and activities do not interfere with the Executive's performance of the Executive's duties to the Company.

(c) Location. The Executive's primary work location will be in the Company's office, currently located in Vancouver, Washington; *provided* that the Executive may be required to travel regularly for business, consistent with the Company's business needs.

2. Compensation and Related Matters.

(a) Base Salary. The Executive's initial base salary shall be paid at the rate of $600,000 per year. The Executive's base salary shall be subject to periodic review by the Board or the Compensation Committee of the Board (the "Compensation Committee"). The base salary in effect at any given time is referred to herein as "Base Salary." The Base Salary shall be payable in a manner that is consistent with the Company's usual payroll practices for its executive officers.

(b) Incentive Compensation. The Executive shall be eligible to receive cash incentive compensation as determined by the Board or the Compensation Committee from time to time. The Executive's initial target annual incentive compensation shall be 60 percent of the Executive's Base Salary. The target annual incentive compensation in effect at any given time is referred to herein as "Target Bonus." The actual amount of the Executive's annual incentive compensation, if any, shall be determined in the sole discretion of the Board or the Compensation Committee. Any annual incentive compensation will be paid no later than March 15th of the calendar year following the calendar year to which such bonus relates. Except as otherwise provided herein or as may be provided by the Board or the Compensation Committee, the Executive must be employed by the Company on the date such incentive compensation is paid in order to earn or receive any annual incentive compensation.

(c) Expenses. The Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive during the Term in performing services hereunder, in accordance with the policies and procedures then in effect and established by the Company for its executive officers.

(d) Other Benefits. The Executive shall be eligible to participate in or receive benefits under the Company's employee benefit plans in effect from time to time, subject to the terms of such plans.

(e) Paid Time Off. The Executive shall be entitled to take paid time off in accordance with the Company's applicable paid time off policy for executives, as may be in effect from time to time.

(f) Equity. The equity awards held by the Executive shall continue to be governed by the terms and conditions of the Company's applicable equity incentive plan(s) and the applicable award agreement(s) governing the terms of such equity awards (collectively, the "Equity Documents"). Accordingly, any equity award(s) granted to the Executive prior to the Effective Date that is/are subject to single trigger accelerated vesting pursuant to formally approved Board resolution(s) shall fully vest and become immediately exercisable upon a Change in Control in accordance with and subject to the terms of such Board resolutions(s) and the Equity Documents ("Preserved Single Trigger Acceleration). With respect to Executive's award(s) that are not subject to Preserved Single Trigger Acceleration, and notwithstanding anything to the contrary in the Equity Documents, in the event of a termination of the Executive's employment by the Company without Cause or by the Executive for Good Reason in either event within the Change in Control Period (as such terms are defined below), all stock options and other stock-based awards held by the Executive that are subject solely to time-based

vesting shall immediately accelerate and become fully vested and exercisable or nonforfeitable as of the Date of Termination (as defined below).

3. Termination. The Executive's employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

(a) Death. The Executive's employment hereunder shall terminate upon death.

(b) Disability. The Company may terminate the Executive's employment if the Executive is disabled and unable to perform or expected to be unable to perform the essential functions of the Executive's then existing position or positions under this Agreement with or without reasonable accommodation for a period of 180 days (which need not be consecutive) in any 12-month period. If any question shall arise as to whether during any period the Executive is disabled so as to be unable to perform the essential functions of the Executive's then existing position or positions with or without reasonable accommodation, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive's guardian has no reasonable objection as to whether the Executive is so disabled or how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification, the Company's determination of such issue shall be binding on the Executive. Nothing in this Section 3(b) shall be construed to waive the Executive's rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 *et seq*. and the Americans with Disabilities Act, 42 U.S.C. §12101 *et seq.*

(c) Termination by the Company for Cause. The Company may terminate the Executive's employment hereunder for Cause. For purposes of this Agreement, "Cause" shall mean any of the following:

(i) conduct by the Executive constituting a material act of misconduct in connection with the performance of the Executive's duties, including, without limitation, (A) willful failure or refusal to perform material responsibilities that have been requested by the Board; (B) dishonesty to the Board with respect to any material matter; or (C) misappropriation of funds or property of the Company or any of its subsidiaries or affiliates other than the occasional, customary and *de minimis* use of Company property for personal purposes;

(ii) the commission by the Executive of acts satisfying the elements of (A) any felony or (B) a misdemeanor involving moral turpitude, deceit, dishonesty or fraud;

(iii) any misconduct by the Executive, regardless of whether or not in the course of the Executive's employment, that would reasonably be expected to result in material injury or reputational harm to the Company or any of its subsidiaries or affiliates if the Executive were to continue to be employed in the same position;

(iv) continued unsatisfactory performance or non-performance by the Executive of the Executive's duties hereunder (other than by reason of the Executive's physical or mental illness, incapacity or disability) which has continued for more than 30 days following written notice of such unsatisfactory performance or non-performance from the Board;

(v) a breach by the Executive of any of the provisions contained in Section 8 of this Agreement or the Restrictive Covenants Agreement (as defined below);

(vi) a material violation by the Executive of any of the Company's written employment policies; or

(vii) the Executive's failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation.

(d) Termination by the Company without Cause. The Company may terminate the Executive's employment hereunder at any time without Cause. Any termination by the Company of the Executive's employment under this Agreement which does not constitute a termination for Cause under Section 3(c) and does not result from the death or disability of the Executive under Section 3(a) or (b) shall be deemed a termination without Cause.

(e) Termination by the Executive. The Executive may terminate employment hereunder at any time for any reason, including but not limited to, Good Reason. For purposes of this Agreement, "Good Reason" shall mean that the Executive has completed all steps of the Good Reason Process (hereinafter defined) following the occurrence of any of the following events without the Executive's consent (each, a "Good Reason Condition"):

(i) a material diminution in the Executive's responsibilities, authority or duties during the Change in Control Period;

(ii) a material diminution in the Executive's Base Salary except for across-the-board salary reductions based on the Company's financial performance similarly affecting all or substantially all senior management employees of the Company; or

(iii) a material breach of this Agreement by the Company.

The "Good Reason Process" consists of the following steps:

(i) the Executive reasonably determines in good faith that a Good Reason Condition has occurred;

(ii) the Executive notifies the Company in writing of the first occurrence of the Good Reason Condition within 60 days of the first occurrence of such condition;

(iii) the Executive cooperates in good faith with the Company's efforts, for a period of not less than 30 days following such notice (the "Cure Period"), to remedy the Good Reason Condition;

(iv) notwithstanding such efforts, the Good Reason Condition continues to exist at the end of the Cure Period; and

(v) the Executive terminates employment within 60 days after the end of the Cure Period.

If the Company cures the Good Reason Condition during the Cure Period, Good Reason shall be deemed not to have occurred.

4. Matters Related to Termination.

(a) Notice of Termination. Except for termination as specified in Section 3(a), any termination of the Executive's employment by the Company or any such termination by the Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon.

(b) Date of Termination. "Date of Termination" shall mean: (i) if the Executive's employment is terminated by death, the date of death; (ii) if the Executive's employment is terminated on account of disability under Section 3(b) or by the Company for Cause under Section 3(c), the date on which Notice of Termination is given; (iii) if the Executive's employment is terminated by the Company without Cause under Section 3(d), the date on which a Notice of Termination is given or the date otherwise specified by the Company in the Notice of Termination; (iv) if the Executive's employment is terminated by the Executive under Section 3(e) other than for Good Reason, 30 days after the date on which a Notice of Termination is given, and (v) if the Executive's employment is terminated by the Executive under Section 3(e) for Good Reason, the date on which a Notice of Termination is given after the end of the Cure Period. Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.

(c) Accrued Obligations. If the Executive's employment with the Company is terminated for any reason, the Company shall pay or provide to the Executive (or to the Executive's authorized representative or estate) (i) any Base Salary earned through the Date of Termination and, if applicable, any accrued but unused vacation through the Date of Termination; (ii) unpaid expense reimbursements (subject to, and in accordance with, Section 2(c) of this Agreement); and (iii) any vested benefits the Executive may have under any employee benefit plan of the Company through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans (collectively, the "Accrued Obligations").

(d) Resignation of All Other Positions. To the extent applicable, the Executive shall be deemed to have resigned from all officer and board member positions that the

Executive holds with the Company or any of its respective subsidiaries and affiliates upon the termination of the Executive's employment for any reason. The Executive shall execute any documents in reasonable form as may be requested to confirm or effectuate any such resignations.

5. Severance Pay and Benefits Upon Termination by the Company without Cause or by the Executive for Good Reason Outside the Change in Control Period. If the Executive's employment is terminated by the Company without Cause as provided in Section 3(d), or the Executive terminates employment for Good Reason as provided in Section 3(e)(ii) or (iii), in each case outside of the Change in Control Period, then, in addition to the Accrued Obligations, and subject to (i) the Executive signing a separation agreement and release in a form and manner satisfactory to the Company, which shall include, without limitation, a general release of claims against the Company and all related persons and entities that shall not release the Executive's rights under this Agreement, a reaffirmation of all of the Executive's Continuing Obligations (as defined below), and, in the Company's sole discretion, a one-year post-employment noncompetition agreement, and shall provide that if the Executive breaches any of the Continuing Obligations, all payments of the Severance Amount shall immediately cease (the "Separation Agreement"), and (ii) the Separation Agreement becoming irrevocable, all within 60 days after the Date of Termination (or such shorter period as set forth in the Separation Agreement), which shall include a seven (7) business day revocation period:

(a) the Company shall pay the Executive an amount equal to 12 months of the Executive's Base Salary (the "Severance Amount"); *provided* that in the event the Executive is entitled to Garden Leave Pay pursuant to the Restrictive Covenants Agreement, the Severance Amount received in any calendar year will be reduced by the amount of Garden Leave Pay the Executive is paid in the same such calendar year (the "Garden Leave Pay Setoff"); and

(b) subject to the Executive's copayment of premium amounts at the applicable active employees' rate and the Executive's proper election to receive benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company shall pay to the group health plan provider or the COBRA provider a monthly payment equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (i) the 12-month anniversary of the Date of Termination; (ii) the date that the Executive becomes eligible for group medical plan benefits under any other employer's group medical plan; or (iii) the cessation of the Executive's health continuation rights under COBRA; *provided*, *however*, that if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company shall convert such payments to payroll payments directly to the Executive for the time period specified above. Such payments to the Executive shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates.

The amounts payable under Section 5, to the extent taxable, shall be paid out in substantially equal installments in accordance with the Company's payroll practice over 12 months commencing within 60 days after the Date of Termination; *provided*, *however*, that if the 60-day

period begins in one calendar year and ends in a second calendar year, such payments, to the extent they qualify as "non-qualified deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), shall begin to be paid in the second calendar year by the last day of such 60-day period; *provided, further*, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

6. Severance Pay and Benefits Upon Termination by the Company without Cause or by the Executive for Good Reason within the Change in Control Period. The provisions of this Section 6 shall apply in lieu of, and expressly supersede, the provisions of Section 5 if (i) the Executive's employment is terminated either (a) by the Company without Cause as provided in Section 3(d), or (b) by the Executive for Good Reason as provided in Section 3(e), and (ii) the Date of Termination is on or within 12 months after the occurrence of the first event constituting a Change in Control (such period, the "Change in Control Period"). These provisions shall terminate and be of no further force or effect after the Change in Control Period.

(a) If the Executive's employment is terminated by the Company without Cause as provided in Section 3(d) or the Executive terminates employment for Good Reason as provided in Section 3(e) and in each case the Date of Termination occurs during the Change in Control Period, then, in addition to the Accrued Obligations, and subject to the signing of a general release of claims against the Company and all related persons and entities that shall not release the Executive's rights under this Agreement (the "Release") by the Executive and the Release becoming fully effective, all within the time frame set forth in the Release but in no event more than 60 days after the Date of Termination:

(i) the Company shall pay the Executive a lump sum in cash in an amount equal to the sum of (A) 18 months of the Executive's then-current Base Salary (or the Executive's Base Salary in effect immediately prior to the Change in Control, if higher) plus (B) 1.5 times the Executive's Target Bonus for the then-current year (or the Executive's Target Bonus in effect immediately prior to the Change in Control, if higher) (the "Change in Control Payment"); *provided* that the Change in Control Payment shall be reduced by the amount of the Garden Leave Pay Setoff, if applicable; and

(ii) subject to the Executive's copayment of premium amounts at the applicable active employees' rate and the Executive's proper election to receive benefits under COBRA, the Company shall pay to the group health plan provider or the COBRA provider a monthly payment equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the 18-month anniversary of the Date of Termination; (B) the date that the Executive becomes eligible for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of the Executive's health continuation rights under COBRA; *provided, however*, that if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service

Act), then the Company shall convert such payments to payroll payments directly to the Executive for the time period specified above. Such payments to the Executive shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates.

The amounts payable under this Section 6(a), to the extent taxable, shall be paid or commence to be paid within 60 days after the Date of Termination; *provided*, *however*, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payments to the extent they qualify as "non-qualified deferred compensation" within the meaning of Section 409A of the Code, shall be paid or commence to be paid in the second calendar year by the last day of such 60-day period.

(b) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code, and the applicable regulations thereunder (the "Aggregate Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be $1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code; *provided* that such reduction shall only occur if it would result in the Executive receiving a higher After Tax Amount (as defined below) than the Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (A) cash payments not subject to Section 409A of the Code; (B) cash payments subject to Section 409A of the Code; (C) equity-based payments and acceleration; and (D) non-cash forms of benefits; *provided* that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c).

(ii) For purposes of this Section 6(b), the "After Tax Amount" means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on the Executive as a result of the Executive's receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(iii) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 6(b)(i) shall be made by a nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(c) Definitions. For purposes of this Agreement, "Change in Control" shall mean a "Sale Event" as defined in the Company's 2021 Stock Option and Incentive Plan, as the same may be amended from time to time.

7. Section 409A.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive's separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement or otherwise on account of the Executive's separation from service would be considered deferred compensation otherwise subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (i) six months and one day after the Executive's separation from service, or (ii) the Executive's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive's termination of employment, then such payments or benefits shall be payable only upon the Executive's "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. Each payment pursuant to this Agreement or the Restrictive Covenants Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

8. Continuing Obligations.

(a) Restrictive Covenants Agreement. In consideration for the increase of the Executive's Base Salary and Target Bonus provided for in this Agreement, such increases the Executive acknowledges the Executive would not otherwise be entitled to receive and are independent of the Executive's continued employment with the Company, the Executive is required to enter into the Employee Confidentiality, Assignment and Noncompetition Agreement, attached hereto as Exhibit A (the "Restrictive Covenants Agreement"). For purposes of this Agreement, the obligations in this Section 8 and those that arise in the Restrictive Covenants Agreement and any other agreement relating to confidentiality, assignment of inventions, or other restrictive covenants shall collectively be referred to as the "Continuing Obligations."

(b) Third-Party Agreements and Rights. The Executive hereby confirms that the Executive is not bound by the terms of any agreement with any previous employer or other party which restricts in any way the Executive's use or disclosure of information, other than confidentiality restrictions (if any), or the Executive's engagement in any business. The Executive represents to the Company that the Executive's execution of this Agreement, the Executive's employment with the Company and the performance of the Executive's proposed duties for the Company will not violate any obligations the Executive may have to any such previous employer or other party. In the Executive's work for the Company, the Executive will not disclose or make use of any information in violation of any agreements with or rights of any such previous employer or other party, and the Executive will not bring to the premises of the Company any copies or other tangible embodiments of non-public information belonging to or obtained from any such previous employment or other party.

(c) Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate fully with the Company in (i) the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while the Executive was employed by the Company, and (ii) the investigation, whether internal or external, of any matters about which the Company believes the Executive may have knowledge

or information. The Executive's full cooperation in connection with such claims, actions or investigations shall include, but not be limited to, being available to meet with counsel to answer questions or to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after the Executive's employment, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. The Company shall reimburse the Executive for any reasonable out-of-pocket expenses incurred in connection with the Executive's performance of obligations pursuant to this Section 8(c).

(d) Relief. The Executive agrees that it would be difficult to measure any damages caused to the Company which might result from any breach by the Executive of the Continuing Obligations, and that in any event money damages would be an inadequate remedy for any such breach. Accordingly**,** the Executive agrees that if the Executive breaches, or proposes to breach, any portion of the Continuing Obligations, the Company shall be entitled, in addition to all other remedies that it may have, to an injunction or other appropriate equitable relief to restrain any such breach without showing or proving any actual damage to the Company.

9. Consent to Jurisdiction. The parties hereby consent to the jurisdiction of the state and federal courts of the State of Washington. Accordingly, with respect to any such court action, the Executive (a) submits to the exclusive personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

10. Waiver of Jury Trial. Each of the Executive and the Company irrevocably and unconditionally WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE EXECUTIVE'S EMPLOYMENT BY THE COMPANY OR ANY AFFILIATE OF THE COMPANY, INCLUDING WITHOUT LIMITATION THE EXECUTIVE'S OR THE COMPANY'S PERFORMANCE UNDER, OR THE ENFORCEMENT OF, THIS AGREEMENT.

11. Integration. This Agreement, together with the Restrictive Covenants Agreement, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter**,** including the Prior Agreement, *provided* that the Equity Documents remain in full force and effect.

12. Withholding; Tax Effect. All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Agreement shall be construed to require the Company to make any payments to compensate the Executive for any adverse tax effect associated with any payments or benefits or for any deduction or withholding from any payment or benefit.

13. Assignment; Successors and Assigns. Neither the Executive nor the Company may make any assignment of this Agreement or any interest in it, by operation of law or

otherwise, without the prior written consent of the other; *provided, however*, that the Company may assign its rights and obligations under this Agreement (including the Restrictive Covenants Agreement) without the Executive's consent to any affiliate or to any person or entity with whom the Company shall hereafter effect a reorganization or consolidation, into which the Company merges or to whom it transfers all or substantially all of its properties or assets; *provided, further* that if the Executive remains employed or becomes employed by the Company, the purchaser or any of their affiliates in connection with any such transaction, then the Executive shall not be entitled to any payments, benefits or vesting pursuant to Section 2(f), Section 5 or Section 6 of this Agreement solely as a result of such transaction. This Agreement shall inure to the benefit of and be binding upon the Executive and the Company, and each of the Executive's and the Company's respective successors, executors, administrators, heirs and permitted assigns. In the event of the Executive's death after the Executive's termination of employment but prior to the completion by the Company of all payments due to the Executive under this Agreement, the Company shall continue such payments to the Executive's beneficiary designated in writing to the Company prior to the Executive's death (or to the Executive's estate, if the Executive fails to make such designation).

14. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

15. Survival. For the avoidance of doubt, this Agreement shall survive the termination of the Executive's employment to the extent necessary to effectuate the terms contained herein.

16. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

17. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its main offices, attention of the Board.

18. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.

19. Effect on Other Plans and Agreements. An election by the Executive to resign for Good Reason under the provisions of this Agreement shall not be deemed a voluntary termination of employment by the Executive for the purpose of interpreting the provisions of any

of the Company's benefit plans, programs or policies. Nothing in this Agreement shall be construed to limit the rights of the Executive under the Company's benefit plans, programs or policies except as otherwise provided in Section 8 hereof, and except that the Executive shall have no rights to any severance benefits under any Company severance pay plan, offer letter or otherwise. Except for the Restrictive Covenants Agreement, in the event that the Executive is party to an agreement with the Company providing for payments or benefits under such plan or agreement and under this Agreement, the terms of this Agreement shall govern and the Executive may receive payment under this Agreement only and not both. Further, Section 5 and Section 6 of this Agreement are mutually exclusive and in no event shall the Executive be entitled to payments or benefits pursuant to both Section 5 and Section 6 of this Agreement.

20. Governing Law. This is a Washington contract and shall be construed under and be governed in all respects by the laws of the State of Washington, without giving effect to the conflict of laws principles thereof. With respect to any disputes concerning federal law, such disputes shall be determined in accordance with the law as it would be interpreted and applied by the United States Court of Appeals for the Ninth Circuit.

21. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the Effective Date.

ABSCI CORPORATION

By: /s/ Ivana Magovcevic-Liebisch

Its: Chairman of the Board

EXECUTIVE

/s/ Sean McClain

SEAN MCCLAIN

Exhibit A

Restrictive Covenants Agreement

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made between Absci Corporation, a Delaware corporation (the "Company"), and Gregory Huffman (the "Executive") and is effective as of the closing of the Company's first underwritten public offering of its equity securities pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Effective Date"). Except with respect to the Restrictive Covenants Agreement and the Equity Documents (each as defined below) and subject to Section 11, this Agreement supersedes in all respects all prior agreements between the Executive and the Company regarding the subject matter herein, including without limitation (i) the offer letter between the Executive and the Company dated March 26, 2020 (the "Prior Agreement"), and (ii) any other offer letter, employment agreement or severance agreement.

WHEREAS, the Company desires to continue to employ the Executive and the Executive desires to continue to be employed by the Company on the new terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Employment.

(a) Term. The Company shall employ the Executive and the Executive shall be employed by the Company pursuant to this Agreement commencing as of the Effective Date and continuing until such employment is terminated in accordance with the provisions hereof (the "Term"). The Executive's employment with the Company shall continue to be "at will," meaning that the Executive's employment may be terminated by the Company or the Executive at any time and for any reason subject to the terms of this Agreement.

(b) Position and Duties. The Executive shall serve as the Chief Financial Officer of the Company and shall have such powers and duties as may from time to time be prescribed by the Chief Executive Officer (the "CEO") or other duly authorized executive. The Executive shall devote the Executive's full working time and efforts to the business and affairs of the Company. Notwithstanding the foregoing, the Executive may serve on other boards of directors, with the approval of the Board of Directors of the Company (the "Board"), or engage in religious, charitable or other community activities as long as such services and activities do not interfere with the Executive's performance of the Executive's duties to the Company.

(c) Location. The Executive's primary work location will be in the Company's office, currently located in Vancouver, Washington; *provided* that the Executive may be required to travel regularly for business, consistent with the Company's business needs.

2. Compensation and Related Matters.

(a) Base Salary. The Executive's initial base salary shall be paid at the rate of $450,000 per year. The Executive's base salary shall be subject to periodic review by the Board or the Compensation Committee of the Board (the "Compensation Committee"). The base salary

in effect at any given time is referred to herein as "Base Salary." The Base Salary shall be payable in a manner that is consistent with the Company's usual payroll practices for its executive officers.

(b) Incentive Compensation. The Executive shall be eligible to receive cash incentive compensation as determined by the Board or the Compensation Committee from time to time. The Executive's initial target annual incentive compensation shall be 45 percent of the Executive's Base Salary. The target annual incentive compensation in effect at any given time is referred to herein as "Target Bonus." The actual amount of the Executive's annual incentive compensation, if any, shall be determined in the sole discretion of the Board or the Compensation Committee. Any annual incentive compensation will be paid no later than March 15th of the calendar year following the calendar year to which such bonus relates. Except as otherwise provided herein or as may be provided by the Board or the Compensation Committee, the Executive must be employed by the Company on the date such incentive compensation is paid in order to earn or receive any annual incentive compensation.

(c) Expenses. The Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive during the Term in performing services hereunder, in accordance with the policies and procedures then in effect and established by the Company for its executive officers.

(d) Other Benefits. The Executive shall be eligible to participate in or receive benefits under the Company's employee benefit plans in effect from time to time, subject to the terms of such plans.

(e) Paid Time Off. The Executive shall be entitled to take paid time off in accordance with the Company's applicable paid time off policy for executives, as may be in effect from time to time.

(f) Equity. The equity awards held by the Executive shall continue to be governed by the terms and conditions of the Company's applicable equity incentive plan(s) and the applicable award agreement(s) governing the terms of such equity awards (collectively, the "Equity Documents"). Accordingly, any equity award(s) granted to the Executive prior to the Effective Date that is/are subject to single trigger accelerated vesting pursuant to formally approved Board resolution(s) shall fully vest and become immediately exercisable upon a Change in Control in accordance with and subject to the terms of such Board resolutions(s) and the Equity Documents ("Preserved Single Trigger Acceleration). With respect to Executive's award(s) that are not subject to Preserved Single Trigger Acceleration, and notwithstanding anything to the contrary in the Equity Documents, in the event of a termination of the Executive's employment by the Company without Cause or by the Executive for Good Reason in either event within the Change in Control Period (as such terms are defined below), all stock options and other stock-based awards held by the Executive that are subject solely to time-based vesting shall immediately accelerate and become fully vested and exercisable or forfeitable as of the Date of Termination (as defined below).

3. Termination. The Executive's employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

(a) Death. The Executive's employment hereunder shall terminate upon death.

(b) Disability. The Company may terminate the Executive's employment if the Executive is disabled and unable to perform or expected to be unable to perform the essential functions of the Executive's then existing position or positions under this Agreement with or without reasonable accommodation for a period of 180 days (which need not be consecutive) in any 12-month period. If any question shall arise as to whether during any period the Executive is disabled so as to be unable to perform the essential functions of the Executive's then existing position or positions with or without reasonable accommodation, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive's guardian has no reasonable objection as to whether the Executive is so disabled or how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification, the Company's determination of such issue shall be binding on the Executive. Nothing in this Section 3(b) shall be construed to waive the Executive's rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 *et seq*. and the Americans with Disabilities Act, 42 U.S.C. §12101 *et seq.*

(c) Termination by the Company for Cause. The Company may terminate the Executive's employment hereunder for Cause. For purposes of this Agreement, "Cause" shall mean any of the following:

(i) conduct by the Executive constituting a material act of misconduct in connection with the performance of the Executive's duties, including, without limitation, (A) willful failure or refusal to perform material responsibilities that have been requested by the CEO; (B) dishonesty to the CEO with respect to any material matter; or (C) misappropriation of funds or property of the Company or any of its subsidiaries or affiliates other than the occasional, customary and *de minimis* use of Company property for personal purposes;

(ii) the commission by the Executive of acts satisfying the elements of (A) any felony or (B) a misdemeanor involving moral turpitude, deceit, dishonesty or fraud;

(iii) any misconduct by the Executive, regardless of whether or not in the course of the Executive's employment, that would reasonably be expected to result in material injury or reputational harm to the Company or any of its subsidiaries or affiliates if the Executive were to continue to be employed in the same position;

(iv) continued unsatisfactory performance or non-performance by the Executive of the Executive's duties hereunder (other than by reason of the Executive's physical

or mental illness, incapacity or disability) which has continued for more than 30 days following written notice of such unsatisfactory performance or non-performance from the CEO;

(v) a breach by the Executive of any of the provisions contained in Section 8 of this Agreement or the Restrictive Covenants Agreement;

(vi) a material violation by the Executive of any of the Company's written employment policies; or

(vii) the Executive's failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation.

(d) Termination by the Company without Cause. The Company may terminate the Executive's employment hereunder at any time without Cause. Any termination by the Company of the Executive's employment under this Agreement which does not constitute a termination for Cause under Section 3(c) and does not result from the death or disability of the Executive under Section 3(a) or (b) shall be deemed a termination without Cause.

(e) Termination by the Executive. The Executive may terminate employment hereunder at any time for any reason, including but not limited to, Good Reason. For purposes of this Agreement, "Good Reason" shall mean that the Executive has completed all steps of the Good Reason Process (hereinafter defined) following the occurrence of any of the following events without the Executive's consent (each, a "Good Reason Condition"):

(i) a material diminution in the Executive's responsibilities, authority or duties during the Change in Control Period;

(ii) a material diminution in the Executive's Base Salary except for across-the-board salary reductions based on the Company's financial performance similarly affecting all or substantially all senior management employees of the Company; or

(iii) a material breach of this Agreement by the Company.

The "Good Reason Process" consists of the following steps:

(i) the Executive reasonably determines in good faith that a Good Reason Condition has occurred;

(ii) the Executive notifies the Company in writing of the first occurrence of the Good Reason Condition within 60 days of the first occurrence of such condition;

(iii) the Executive cooperates in good faith with the Company's efforts, for a period of not less than 30 days following such notice (the "Cure Period"), to remedy the Good Reason Condition;

(iv) notwithstanding such efforts, the Good Reason Condition continues to exist at the end of the Cure Period; and

(v) the Executive terminates employment within 60 days after the end of the Cure Period.

If the Company cures the Good Reason Condition during the Cure Period, Good Reason shall be deemed not to have occurred.

4. Matters Related to Termination.

(a) Notice of Termination. Except for termination as specified in Section 3(a), any termination of the Executive's employment by the Company or any such termination by the Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon.

(b) Date of Termination. "Date of Termination" shall mean: (i) if the Executive's employment is terminated by death, the date of death; (ii) if the Executive's employment is terminated on account of disability under Section 3(b) or by the Company for Cause under Section 3(c), the date on which Notice of Termination is given; (iii) if the Executive's employment is terminated by the Company without Cause under Section 3(d), the date on which a Notice of Termination is given or the date otherwise specified by the Company in the Notice of Termination; (iv) if the Executive's employment is terminated by the Executive under Section 3(e) other than for Good Reason, 30 days after the date on which a Notice of Termination is given, and (v) if the Executive's employment is terminated by the Executive under Section 3(e) for Good Reason, the date on which a Notice of Termination is given after the end of the Cure Period. Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.

(c) Accrued Obligations. If the Executive's employment with the Company is terminated for any reason, the Company shall pay or provide to the Executive (or to the Executive's authorized representative or estate) (i) any Base Salary earned through the Date of Termination and, if applicable, any accrued but unused vacation through the Date of Termination; (ii) unpaid expense reimbursements (subject to, and in accordance with, Section 2(c) of this Agreement); and (iii) any vested benefits the Executive may have under any employee benefit plan of the Company through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans (collectively, the "Accrued Obligations").

(d) Resignation of All Other Positions. To the extent applicable, the Executive shall be deemed to have resigned from all officer and board member positions that the

Executive holds with the Company or any of its respective subsidiaries and affiliates upon the termination of the Executive's employment for any reason. The Executive shall execute any documents in reasonable form as may be requested to confirm or effectuate any such resignations.

5. Severance Pay and Benefits Upon Termination by the Company without Cause or by the Executive for Good Reason Outside the Change in Control Period. If the Executive's employment is terminated by the Company without Cause as provided in Section 3(d), or the Executive terminates employment for Good Reason as provided in Section 3(e)(ii) or (iii), in each case outside of the Change in Control Period, then, in addition to the Accrued Obligations, and subject to (i) the Executive signing a separation agreement and release in a form and manner satisfactory to the Company, which shall include, without limitation, a general release of claims against the Company and all related persons and entities that shall not release the Executive's rights under this Agreement, a reaffirmation of all of the Executive's Continuing Obligations (as defined below), and, in the Company's sole discretion, a one-year post-employment noncompetition agreement, and shall provide that if the Executive breaches any of the Continuing Obligations, all payments of the Severance Amount shall immediately cease (the "Separation Agreement"), and (ii) the Separation Agreement becoming irrevocable, all within 60 days after the Date of Termination (or such shorter period as set forth in the Separation Agreement), which shall include a seven (7) business day revocation period:

(a) the Company shall pay the Executive an amount equal to 9 months of the Executive's Base Salary (the "Severance Amount"); *provided* that in the event the Executive is entitled to Garden Leave Pay (as defined below), the Severance Amount received in any calendar year will be reduced by the amount of Garden Leave Pay the Executive is paid in the same such calendar year (the "Garden Leave Pay Setoff"); and

(b) subject to the Executive's copayment of premium amounts at the applicable active employees' rate and the Executive's proper election to receive benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company shall pay to the group health plan provider or the COBRA provider a monthly payment equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (i) the 9-month anniversary of the Date of Termination; (ii) the date that the Executive becomes eligible for group medical plan benefits under any other employer's group medical plan; or (iii) the cessation of the Executive's health continuation rights under COBRA; *provided*, *however*, that if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company shall convert such payments to payroll payments directly to the Executive for the time period specified above. Such payments to the Executive shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates.

The amounts payable under Section 5, to the extent taxable, shall be paid out in substantially equal installments in accordance with the Company's payroll practice over 9 months commencing within 60 days after the Date of Termination; *provided*, *however*, that if the 60-day

period begins in one calendar year and ends in a second calendar year, such payments, to the extent they qualify as "non-qualified deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), shall begin to be paid in the second calendar year by the last day of such 60-day period; *provided, further*, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

6. Severance Pay and Benefits Upon Termination by the Company without Cause or by the Executive for Good Reason within the Change in Control Period. The provisions of this Section 6 shall apply in lieu of, and expressly supersede, the provisions of Section 5 if (i) the Executive's employment is terminated either (a) by the Company without Cause as provided in Section 3(d), or (b) by the Executive for Good Reason as provided in Section 3(e), and (ii) the Date of Termination is on or within 12 months after the occurrence of the first event constituting a Change in Control (such period, the "Change in Control Period"). These provisions shall terminate and be of no further force or effect after the Change in Control Period.

(a) If the Executive's employment is terminated by the Company without Cause as provided in Section 3(d) or the Executive terminates employment for Good Reason as provided in Section 3(e) and in each case the Date of Termination occurs during the Change in Control Period, then, in addition to the Accrued Obligations, and subject to the signing of a general release of claims against the Company and all related persons and entities that shall not release the Executive's rights under this Agreement (the "Release") by the Executive and the Release becoming fully effective, all within the time frame set forth in the Release but in no event more than 60 days after the Date of Termination:

(i) the Company shall pay the Executive a lump sum in cash in an amount equal to the sum of (A) 12 months of the Executive's then-current Base Salary (or the Executive's Base Salary in effect immediately prior to the Change in Control, if higher) plus (B) 1.0 times the Executive's Target Bonus for the then-current year (or the Executive's Target Bonus in effect immediately prior to the Change in Control, if higher) (the "Change in Control Payment"); *provided* that the Change in Control Payment shall be reduced by the amount of the Garden Leave Pay Setoff, if applicable; and

(ii) subject to the Executive's copayment of premium amounts at the applicable active employees' rate and the Executive's proper election to receive benefits under COBRA, the Company shall pay to the group health plan provider or the COBRA provider a monthly payment equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the 12-month anniversary of the Date of Termination; (B) the date that the Executive becomes eligible for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of the Executive's health continuation rights under COBRA; *provided, however*, that if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service

Act), then the Company shall convert such payments to payroll payments directly to the Executive for the time period specified above. Such payments to the Executive shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates.

The amounts payable under this Section 6(a), to the extent taxable, shall be paid or commence to be paid within 60 days after the Date of Termination; *provided*, *however*, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payments to the extent they qualify as "non-qualified deferred compensation" within the meaning of Section 409A of the Code, shall be paid or commence to be paid in the second calendar year by the last day of such 60-day period.

(b) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code, and the applicable regulations thereunder (the "Aggregate Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be $1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code; *provided* that such reduction shall only occur if it would result in the Executive receiving a higher After Tax Amount (as defined below) than the Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (A) cash payments not subject to Section 409A of the Code; (B) cash payments subject to Section 409A of the Code; (C) equity-based payments and acceleration; and (D) non-cash forms of benefits; *provided* that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c).

(ii) For purposes of this Section 6(b), the "After Tax Amount" means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on the Executive as a result of the Executive's receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(iii) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 6(b)(i) shall be made by a nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(c) Definitions. For purposes of this Agreement, "Change in Control" shall mean a "Sale Event" as defined in the Company's 2021 Stock Option and Incentive Plan, as the same may be amended from time to time.

7. Section 409A.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive's separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement or otherwise on account of the Executive's separation from service would be considered deferred compensation otherwise subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (i) six months and one day after the Executive's separation from service, or (ii) the Executive's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive's termination of employment, then such payments or benefits shall be payable only upon the Executive's "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. Each payment pursuant to this Agreement or the Restrictive Covenants Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

8. Continuing Obligations.

(a) Restrictive Covenants Agreement. The terms of the Confidentiality and Proprietary Rights Agreement, dated March 27, 2020 (the "Restrictive Covenants Agreement"), between the Company and the Executive, attached hereto as Exhibit A, continue to be in full force and effect. For the avoidance of doubt, the term "Company" in the Restrictive Covenants Agreement means Absci Corporation, including its subsidiaries and other affiliates and its and their predecessors, successors and assigns. For purposes of this Agreement, the obligations in this Section 8 and those that arise in the Restrictive Covenants Agreement and any other agreement relating to confidentiality, assignment of inventions, or other restrictive covenants shall collectively be referred to as the "Continuing Obligations."

(b) Noncompetition. In consideration for the increase of the Executive's Base Salary and Target Bonus provided for in this Agreement, such increases the Executive acknowledges the Executive would not otherwise be entitled to receive and are independent of the Executive's continued employment with the Company, and in order to protect the Company's Confidential Information (as defined in the Restrictive Covenants Agreement) and goodwill, during the Executive's employment with the Company and for the 12 months following the Date of Termination (the "Restricted Period"), the Executive shall not, directly or indirectly, anywhere in the Business Territory (as defined below), engage, participate or invest in any Competing Business (as defined below). "Competing Business" means a business, person, entity, joint venture, facility, partnership, association or other organization that develops, manufactures or markets any products, or performs any services, that involve synthetic biology and/or artificial intelligence-based drug design. "Business Territory" means anywhere in the geographic areas of the United States in which the Company conducted business at any time during the 12 months prior to the Date of Termination. If the Executive's employment with the Company ends due to a layoff (which, to avoid doubt, means a termination of the Executive's employment solely due to economic reasons and not due to the Company's dissatisfaction with the Executive's performance or misconduct or another applicable reason) and the Company does not expressly waive in writing its right to enforce this Section 8(b), then, during the Restricted Period, the Company shall provide the Executive with compensation, payable in installments during the

Restricted Period according to the Company's regular payroll schedule, in an amount equal to the Executive's Base Salary in effect as of the Date of Termination, less any compensation the Executive earns through subsequent employment or other business engagements during the Restricted Period ("Garden Leave Pay"). In the event the Executive receives Garden Leave Pay, the Executive agrees to report promptly to the Company any compensation the Executive earns through subsequent employment or other business engagements during the Restricted Period. The provisions of this Section 8(b) shall only be in effect if the Executive's Earnings from the Company exceed the minimum threshold required for an enforceable noncompetition covenant under Washington law, as such "Earnings" are defined and calculated under the Washington's law regarding noncompetition agreements, RCW 49.62.005 to 49.62.900. The Executive understands that this Section 8(b) may become enforceable against the Executive in the future if the Executive's Earnings exceed such threshold in the future even if the Executive's Earnings do not exceed such threshold upon hire or at other times during the Executive's employment. The Company may waive its right to enforce this Section 8(b) at any time in writing, and such waiver shall render this Section 8(b) null and void and shall not affect the Company's right to enforce any other part of this Agreement or the Restrictive Covenants Agreement.

(c) Third-Party Agreements and Rights. The Executive hereby confirms that the Executive is not bound by the terms of any agreement with any previous employer or other party which restricts in any way the Executive's use or disclosure of information, other than confidentiality restrictions (if any), or the Executive's engagement in any business. The Executive represents to the Company that the Executive's execution of this Agreement, the Executive's employment with the Company and the performance of the Executive's proposed duties for the Company will not violate any obligations the Executive may have to any such previous employer or other party. In the Executive's work for the Company, the Executive will not disclose or make use of any information in violation of any agreements with or rights of any such previous employer or other party, and the Executive will not bring to the premises of the Company any copies or other tangible embodiments of non-public information belonging to or obtained from any such previous employment or other party.

(d) Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate fully with the Company in (i) the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while the Executive was employed by the Company, and (ii) the investigation, whether internal or external, of any matters about which the Company believes the Executive may have knowledge or information. The Executive's full cooperation in connection with such claims, actions or investigations shall include, but not be limited to, being available to meet with counsel to answer questions or to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after the Executive's employment, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. The Company shall reimburse the Executive for any reasonable out-of-pocket expenses incurred in connection with the Executive's performance of obligations pursuant to this Section 8(d).

(e) Relief. The Executive agrees that it would be difficult to measure any damages caused to the Company which might result from any breach by the Executive of the Continuing Obligations, and that in any event money damages would be an inadequate remedy for any such breach. Accordingly**,** the Executive agrees that if the Executive breaches, or proposes to breach, any portion of the Continuing Obligations, the Company shall be entitled, in addition to all other remedies that it may have, to an injunction or other appropriate equitable relief to restrain any such breach without showing or proving any actual damage to the Company.

9. Consent to Jurisdiction. The parties hereby consent to the jurisdiction of the state and federal courts of the State of Washington. Accordingly, with respect to any such court action, the Executive (a) submits to the exclusive personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

10. Waiver of Jury Trial. Each of the Executive and the Company irrevocably and unconditionally WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE EXECUTIVE'S EMPLOYMENT BY THE COMPANY OR ANY AFFILIATE OF THE COMPANY, INCLUDING WITHOUT LIMITATION THE EXECUTIVE'S OR THE COMPANY'S PERFORMANCE UNDER, OR THE ENFORCEMENT OF, THIS AGREEMENT.

11. Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter**,** including the Prior Agreement, *provided* that the Restrictive Covenants Agreement and the Equity Documents remain in full force and effect.

12. Withholding; Tax Effect. All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Agreement shall be construed to require the Company to make any payments to compensate the Executive for any adverse tax effect associated with any payments or benefits or for any deduction or withholding from any payment or benefit.

13. Assignment; Successors and Assigns. Neither the Executive nor the Company may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; *provided*, *however*, that the Company may assign its rights and obligations under this Agreement (including the Restrictive Covenants Agreement) without the Executive's consent to any affiliate or to any person or entity with whom the Company shall hereafter effect a reorganization or consolidation, into which the Company merges or to whom it transfers all or substantially all of its properties or assets; *provided*, *further* that if the Executive remains employed or becomes employed by the Company, the purchaser or any of their affiliates in connection with any such transaction, then the Executive shall not be entitled to any payments, benefits or vesting pursuant to Section 2(f), Section 5 or Section 6 of this Agreement solely as a result of such transaction. This Agreement shall inure to the benefit of and be binding upon the Executive and the Company, and each of the Executive's and the

Company's respective successors, executors, administrators, heirs and permitted assigns. In the event of the Executive's death after the Executive's termination of employment but prior to the completion by the Company of all payments due to the Executive under this Agreement, the Company shall continue such payments to the Executive's beneficiary designated in writing to the Company prior to the Executive's death (or to the Executive's estate, if the Executive fails to make such designation).

14. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

15. Survival. For the avoidance of doubt, this Agreement shall survive the termination of the Executive's employment to the extent necessary to effectuate the terms contained herein.

16. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

17. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its main offices, attention of the Board.

18. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.

19. Effect on Other Plans and Agreements. An election by the Executive to resign for Good Reason under the provisions of this Agreement shall not be deemed a voluntary termination of employment by the Executive for the purpose of interpreting the provisions of any of the Company's benefit plans, programs or policies. Nothing in this Agreement shall be construed to limit the rights of the Executive under the Company's benefit plans, programs or policies except as otherwise provided in Section 8 hereof, and except that the Executive shall have no rights to any severance benefits under any Company severance pay plan, offer letter or otherwise. Except for the Restrictive Covenants Agreement, in the event that the Executive is party to an agreement with the Company providing for payments or benefits under such plan or agreement and under this Agreement, the terms of this Agreement shall govern and the Executive may receive payment under this Agreement only and not both. Further, Section 5 and Section 6 of this Agreement are mutually exclusive and in no event shall the Executive be entitled to payments or benefits pursuant to both Section 5 and Section 6 of this Agreement.

20. Governing Law. This is a Washington contract and shall be construed under and be governed in all respects by the laws of the State of Washington, without giving effect to the conflict of laws principles thereof. With respect to any disputes concerning federal law, such disputes shall be determined in accordance with the law as it would be interpreted and applied by the United States Court of Appeals for the Ninth Circuit.

21. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the Effective Date.

ABSCI CORPORATION

By: /s/ Sean McClain

Its: CEO

EXECUTIVE

/s/ Gregory Schiffman

GREGORY SCHIFFMAN

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made between Absci Corporation, a Delaware corporation (the "Company"), and Andreas Pihl (the "Executive") and is effective as of the closing of the Company's first underwritten public offering of its equity securities pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Effective Date"). Except with respect to the Restrictive Covenants Agreement and the Equity Documents (each as defined below) and subject to Section 11, this Agreement supersedes in all respects all prior agreements between the Executive and the Company regarding the subject matter herein, including without limitation any other offer letter, employment agreement or severance agreement.

WHEREAS, the Company desires to continue to employ the Executive and the Executive desires to continue to be employed by the Company on the new terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Employment.

(a) Term. The Company shall employ the Executive and the Executive shall be employed by the Company pursuant to this Agreement commencing as of the Effective Date and continuing until such employment is terminated in accordance with the provisions hereof (the "Term"). The Executive's employment with the Company shall continue to be "at will," meaning that the Executive's employment may be terminated by the Company or the Executive at any time and for any reason subject to the terms of this Agreement.

(b) Position and Duties. The Executive shall serve as the Chief Operating Officer of the Company and shall have such powers and duties as may from time to time be prescribed by the Chief Executive Officer (the "CEO") or other duly authorized executive. The Executive shall devote the Executive's full working time and efforts to the business and affairs of the Company. Notwithstanding the foregoing, the Executive may serve on other boards of directors, with the approval of the Board of Directors of the Company (the "Board"), or engage in religious, charitable or other community activities as long as such services and activities do not interfere with the Executive's performance of the Executive's duties to the Company.

(c) Location. The Executive's primary work location will be in the Company's office, currently located in Vancouver, Washington; *provided* that the Executive may be required to travel regularly for business, consistent with the Company's business needs.

2. Compensation and Related Matters.

(a) Base Salary. The Executive's initial base salary shall be paid at the rate of $410,000 per year. The Executive's base salary shall be subject to periodic review by the Board or the Compensation Committee of the Board (the "Compensation Committee"). The base salary in effect at any given time is referred to herein as "Base Salary." The Base Salary shall be

payable in a manner that is consistent with the Company's usual payroll practices for its executive officers.

(b) Incentive Compensation. The Executive shall be eligible to receive cash incentive compensation as determined by the Board or the Compensation Committee from time to time. The Executive's initial target annual incentive compensation shall be 40 percent of the Executive's Base Salary. The target annual incentive compensation in effect at any given time is referred to herein as "Target Bonus." The actual amount of the Executive's annual incentive compensation, if any, shall be determined in the sole discretion of the Board or the Compensation Committee. Any annual incentive compensation will be paid no later than March 15th of the calendar year following the calendar year to which such bonus relates. Except as otherwise provided herein or as may be provided by the Board or the Compensation Committee, the Executive must be employed by the Company on the date such incentive compensation is paid in order to earn or receive any annual incentive compensation.

(c) Expenses. The Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive during the Term in performing services hereunder, in accordance with the policies and procedures then in effect and established by the Company for its executive officers.

(d) Other Benefits. The Executive shall be eligible to participate in or receive benefits under the Company's employee benefit plans in effect from time to time, subject to the terms of such plans.

(e) Paid Time Off. The Executive shall be entitled to take paid time off in accordance with the Company's applicable paid time off policy for executives, as may be in effect from time to time.

(f) Equity. The equity awards held by the Executive shall continue to be governed by the terms and conditions of the Company's applicable equity incentive plan(s) and the applicable award agreement(s) governing the terms of such equity awards (collectively, the "Equity Documents"). Accordingly, any equity award(s) granted to the Executive prior to the Effective Date that is/are subject to single trigger accelerated vesting pursuant to formally approved Board resolution(s) shall fully vest and become immediately exercisable upon a Change in Control in accordance with and subject to the terms of such Board resolutions(s) and the Equity Documents ("Preserved Single Trigger Acceleration). With respect to Executive's award(s) that are not subject to Preserved Single Trigger Acceleration, and notwithstanding anything to the contrary in the Equity Documents, in the event of a termination of the Executive's employment by the Company without Cause or by the Executive for Good Reason in either event within the Change in Control Period (as such terms are defined below), all stock options and other stock-based awards held by the Executive that are subject solely to time-based vesting shall immediately accelerate and become fully vested and exercisable or nonforfeitable as of the Date of Termination (as defined below).

3. Termination. The Executive's employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

(a) Death. The Executive's employment hereunder shall terminate upon death.

(b) Disability. The Company may terminate the Executive's employment if the Executive is disabled and unable to perform or expected to be unable to perform the essential functions of the Executive's then existing position or positions under this Agreement with or without reasonable accommodation for a period of 180 days (which need not be consecutive) in any 12-month period. If any question shall arise as to whether during any period the Executive is disabled so as to be unable to perform the essential functions of the Executive's then existing position or positions with or without reasonable accommodation, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive's guardian has no reasonable objection as to whether the Executive is so disabled or how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification, the Company's determination of such issue shall be binding on the Executive. Nothing in this Section 3(b) shall be construed to waive the Executive's rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 *et seq*. and the Americans with Disabilities Act, 42 U.S.C. §12101 *et seq.*

(c) Termination by the Company for Cause. The Company may terminate the Executive's employment hereunder for Cause. For purposes of this Agreement, "Cause" shall mean any of the following:

(i) conduct by the Executive constituting a material act of misconduct in connection with the performance of the Executive's duties, including, without limitation, (A) willful failure or refusal to perform material responsibilities that have been requested by the CEO; (B) dishonesty to the CEO with respect to any material matter; or (C) misappropriation of funds or property of the Company or any of its subsidiaries or affiliates other than the occasional, customary and *de minimis* use of Company property for personal purposes;

(ii) the commission by the Executive of acts satisfying the elements of (A) any felony or (B) a misdemeanor involving moral turpitude, deceit, dishonesty or fraud;

(iii) any misconduct by the Executive, regardless of whether or not in the course of the Executive's employment, that would reasonably be expected to result in material injury or reputational harm to the Company or any of its subsidiaries or affiliates if the Executive were to continue to be employed in the same position;

(iv) continued unsatisfactory performance or non-performance by the Executive of the Executive's duties hereunder (other than by reason of the Executive's physical

or mental illness, incapacity or disability) which has continued for more than 30 days following written notice of such unsatisfactory performance or non-performance from the CEO;

(v) a breach by the Executive of any of the provisions contained in Section 8 of this Agreement or the Restrictive Covenants Agreement;

(vi) a material violation by the Executive of any of the Company's written employment policies; or

(vii) the Executive's failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation.

(d) Termination by the Company without Cause. The Company may terminate the Executive's employment hereunder at any time without Cause. Any termination by the Company of the Executive's employment under this Agreement which does not constitute a termination for Cause under Section 3(c) and does not result from the death or disability of the Executive under Section 3(a) or (b) shall be deemed a termination without Cause.

(e) Termination by the Executive. The Executive may terminate employment hereunder at any time for any reason, including but not limited to, Good Reason. For purposes of this Agreement, "Good Reason" shall mean that the Executive has completed all steps of the Good Reason Process (hereinafter defined) following the occurrence of any of the following events without the Executive's consent (each, a "Good Reason Condition"):

(i) a material diminution in the Executive's responsibilities, authority or duties during the Change in Control Period;

(ii) a material diminution in the Executive's Base Salary except for across-the-board salary reductions based on the Company's financial performance similarly affecting all or substantially all senior management employees of the Company; or

(iii) a material breach of this Agreement by the Company.

The "Good Reason Process" consists of the following steps:

(i) the Executive reasonably determines in good faith that a Good Reason Condition has occurred;

(ii) the Executive notifies the Company in writing of the first occurrence of the Good Reason Condition within 60 days of the first occurrence of such condition;

(iii) the Executive cooperates in good faith with the Company's efforts, for a period of not less than 30 days following such notice (the "Cure Period"), to remedy the Good Reason Condition;

(iv) notwithstanding such efforts, the Good Reason Condition continues to exist at the end of the Cure Period; and

(v) the Executive terminates employment within 60 days after the end of the Cure Period.

If the Company cures the Good Reason Condition during the Cure Period, Good Reason shall be deemed not to have occurred.

4. Matters Related to Termination.

(a) Notice of Termination. Except for termination as specified in Section 3(a), any termination of the Executive's employment by the Company or any such termination by the Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon.

(b) Date of Termination. "Date of Termination" shall mean: (i) if the Executive's employment is terminated by death, the date of death; (ii) if the Executive's employment is terminated on account of disability under Section 3(b) or by the Company for Cause under Section 3(c), the date on which Notice of Termination is given; (iii) if the Executive's employment is terminated by the Company without Cause under Section 3(d), the date on which a Notice of Termination is given or the date otherwise specified by the Company in the Notice of Termination; (iv) if the Executive's employment is terminated by the Executive under Section 3(e) other than for Good Reason, 30 days after the date on which a Notice of Termination is given, and (v) if the Executive's employment is terminated by the Executive under Section 3(e) for Good Reason, the date on which a Notice of Termination is given after the end of the Cure Period. Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.

(c) Accrued Obligations. If the Executive's employment with the Company is terminated for any reason, the Company shall pay or provide to the Executive (or to the Executive's authorized representative or estate) (i) any Base Salary earned through the Date of Termination and, if applicable, any accrued but unused vacation through the Date of Termination; (ii) unpaid expense reimbursements (subject to, and in accordance with, Section 2(c) of this Agreement); and (iii) any vested benefits the Executive may have under any employee benefit plan of the Company through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans (collectively, the "Accrued Obligations").

(d) Resignation of All Other Positions. To the extent applicable, the Executive shall be deemed to have resigned from all officer and board member positions that the

Executive holds with the Company or any of its respective subsidiaries and affiliates upon the termination of the Executive's employment for any reason. The Executive shall execute any documents in reasonable form as may be requested to confirm or effectuate any such resignations.

5. Severance Pay and Benefits Upon Termination by the Company without Cause or by the Executive for Good Reason Outside the Change in Control Period. If the Executive's employment is terminated by the Company without Cause as provided in Section 3(d), or the Executive terminates employment for Good Reason as provided in Section 3(e)(ii) or (iii), in each case outside of the Change in Control Period, then, in addition to the Accrued Obligations, and subject to (i) the Executive signing a separation agreement and release in a form and manner satisfactory to the Company, which shall include, without limitation, a general release of claims against the Company and all related persons and entities that shall not release the Executive's rights under this Agreement, a reaffirmation of all of the Executive's Continuing Obligations (as defined below), and, in the Company's sole discretion, a one-year post-employment noncompetition agreement, and shall provide that if the Executive breaches any of the Continuing Obligations, all payments of the Severance Amount shall immediately cease (the "Separation Agreement"), and (ii) the Separation Agreement becoming irrevocable, all within 60 days after the Date of Termination (or such shorter period as set forth in the Separation Agreement), which shall include a seven (7) business day revocation period:

(a) the Company shall pay the Executive an amount equal to 9 months of the Executive's Base Salary (the "Severance Amount"); *provided* that in the event the Executive is entitled to Garden Leave Pay (as defined below), the Severance Amount received in any calendar year will be reduced by the amount of Garden Leave Pay the Executive is paid in the same such calendar year (the "Garden Leave Pay Setoff"); and

(b) subject to the Executive's copayment of premium amounts at the applicable active employees' rate and the Executive's proper election to receive benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company shall pay to the group health plan provider or the COBRA provider a monthly payment equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (i) the 9-month anniversary of the Date of Termination; (ii) the date that the Executive becomes eligible for group medical plan benefits under any other employer's group medical plan; or (iii) the cessation of the Executive's health continuation rights under COBRA; *provided*, *however*, that if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company shall convert such payments to payroll payments directly to the Executive for the time period specified above. Such payments to the Executive shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates.

The amounts payable under Section 5, to the extent taxable, shall be paid out in substantially equal installments in accordance with the Company's payroll practice over 9 months commencing within 60 days after the Date of Termination; *provided*, *however*, that if the 60-day

period begins in one calendar year and ends in a second calendar year, such payments, to the extent they qualify as "non-qualified deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), shall begin to be paid in the second calendar year by the last day of such 60-day period; *provided, further*, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

6. Severance Pay and Benefits Upon Termination by the Company without Cause or by the Executive for Good Reason within the Change in Control Period. The provisions of this Section 6 shall apply in lieu of, and expressly supersede, the provisions of Section 5 if (i) the Executive's employment is terminated either (a) by the Company without Cause as provided in Section 3(d), or (b) by the Executive for Good Reason as provided in Section 3(e), and (ii) the Date of Termination is on or within 12 months after the occurrence of the first event constituting a Change in Control (such period, the "Change in Control Period"). These provisions shall terminate and be of no further force or effect after the Change in Control Period.

(a) If the Executive's employment is terminated by the Company without Cause as provided in Section 3(d) or the Executive terminates employment for Good Reason as provided in Section 3(e) and in each case the Date of Termination occurs during the Change in Control Period, then, in addition to the Accrued Obligations, and subject to the signing of a general release of claims against the Company and all related persons and entities that shall not release the Executive's rights under this Agreement (the "Release") by the Executive and the Release becoming fully effective, all within the time frame set forth in the Release but in no event more than 60 days after the Date of Termination:

(i) the Company shall pay the Executive a lump sum in cash in an amount equal to the sum of (A) 12 months of the Executive's then-current Base Salary (or the Executive's Base Salary in effect immediately prior to the Change in Control, if higher) plus (B) 1.0 times the Executive's Target Bonus for the then-current year (or the Executive's Target Bonus in effect immediately prior to the Change in Control, if higher) (the "Change in Control Payment"); *provided* that the Change in Control Payment shall be reduced by the amount of the Garden Leave Pay Setoff, if applicable; and

(ii) subject to the Executive's copayment of premium amounts at the applicable active employees' rate and the Executive's proper election to receive benefits under COBRA, the Company shall pay to the group health plan provider or the COBRA provider a monthly payment equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the 12-month anniversary of the Date of Termination; (B) the date that the Executive becomes eligible for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of the Executive's health continuation rights under COBRA; *provided, however*, that if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating

applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company shall convert such payments to payroll payments directly to the Executive for the time period specified above. Such payments to the Executive shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates.

The amounts payable under this Section 6(a), to the extent taxable, shall be paid or commence to be paid within 60 days after the Date of Termination; *provided*, *however*, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payments to the extent they qualify as "non-qualified deferred compensation" within the meaning of Section 409A of the Code, shall be paid or commence to be paid in the second calendar year by the last day of such 60-day period.

(b) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code, and the applicable regulations thereunder (the "Aggregate Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be $1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code; *provided* that such reduction shall only occur if it would result in the Executive receiving a higher After Tax Amount (as defined below) than the Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (A) cash payments not subject to Section 409A of the Code; (B) cash payments subject to Section 409A of the Code; (C) equity-based payments and acceleration; and (D) non-cash forms of benefits; *provided* that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c).

(ii) For purposes of this Section 6(b), the "After Tax Amount" means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on the Executive as a result of the Executive's receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(iii) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 6(b)(i) shall be made by a nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(c) Definitions. For purposes of this Agreement, "Change in Control" shall mean a "Sale Event" as defined in the Company's 2021 Stock Option and Incentive Plan, as the same may be amended from time to time.

7. Section 409A.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive's separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement or otherwise on account of the Executive's separation from service would be considered deferred compensation otherwise subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (i) six months and one day after the Executive's separation from service, or (ii) the Executive's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive's termination of employment, then such payments or benefits shall be payable only upon the Executive's "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. Each payment pursuant to this Agreement or the Restrictive Covenants Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

8. Continuing Obligations.

(a) Restrictive Covenants Agreement. The terms of the Confidentiality and Proprietary Rights Agreement, dated June 24, 2020 (the "Restrictive Covenants Agreement"), between the Company and the Executive, attached hereto as Exhibit A, continue to be in full force and effect. For the avoidance of doubt, the term "Company" in the Restrictive Covenants Agreement means Absci Corporation, including its subsidiaries and other affiliates and its and their predecessors, successors and assigns. For purposes of this Agreement, the obligations in this Section 8 and those that arise in the Restrictive Covenants Agreement and any other agreement relating to confidentiality, assignment of inventions, or other restrictive covenants shall collectively be referred to as the "Continuing Obligations."

(b) Noncompetition. In consideration for the increase of the Executive's Base Salary and Target Bonus provided for in this Agreement, such increases the Executive acknowledges the Executive would not otherwise be entitled to receive and are independent of the Executive's continued employment with the Company, and in order to protect the Company's Confidential Information (as defined in the Restrictive Covenants Agreement) and goodwill, during the Executive's employment with the Company and for the 12 months following the Date of Termination (the "Restricted Period"), the Executive shall not, directly or indirectly, anywhere in the Business Territory (as defined below), engage, participate or invest in any Competing Business (as defined below). "Competing Business" means a business, person, entity, joint venture, facility, partnership, association or other organization that develops, manufactures or markets any products, or performs any services, that involve synthetic biology and/or artificial intelligence-based drug design. "Business Territory" means anywhere in the geographic areas of the United States in which the Company conducted business at any time during the 12 months prior to the Date of Termination. If the Executive's employment with the Company ends due to a layoff (which, to avoid doubt, means a termination of the Executive's employment solely due to economic reasons and not due to the Company's dissatisfaction with the Executive's performance or misconduct or another applicable reason) and the Company does not expressly waive in writing its right to enforce this Section 8(b), then, during the Restricted Period, the Company shall provide the Executive with compensation, payable in installments during the

Restricted Period according to the Company's regular payroll schedule, in an amount equal to the Executive's Base Salary in effect as of the Date of Termination, less any compensation the Executive earns through subsequent employment or other business engagements during the Restricted Period ("Garden Leave Pay"). In the event the Executive receives Garden Leave Pay, the Executive agrees to report promptly to the Company any compensation the Executive earns through subsequent employment or other business engagements during the Restricted Period. The provisions of this Section 8(b) shall only be in effect if the Executive's Earnings from the Company exceed the minimum threshold required for an enforceable noncompetition covenant under Washington law, as such "Earnings" are defined and calculated under the Washington's law regarding noncompetition agreements, RCW 49.62.005 to 49.62.900. The Executive understands that this Section 8(b) may become enforceable against the Executive in the future if the Executive's Earnings exceed such threshold in the future even if the Executive's Earnings do not exceed such threshold upon hire or at other times during the Executive's employment. The Company may waive its right to enforce this Section 8(b) at any time in writing, and such waiver shall render this Section 8(b) null and void and shall not affect the Company's right to enforce any other part of this Agreement or the Restrictive Covenants Agreement.

(c) Third-Party Agreements and Rights. The Executive hereby confirms that the Executive is not bound by the terms of any agreement with any previous employer or other party which restricts in any way the Executive's use or disclosure of information, other than confidentiality restrictions (if any), or the Executive's engagement in any business. The Executive represents to the Company that the Executive's execution of this Agreement, the Executive's employment with the Company and the performance of the Executive's proposed duties for the Company will not violate any obligations the Executive may have to any such previous employer or other party. In the Executive's work for the Company, the Executive will not disclose or make use of any information in violation of any agreements with or rights of any such previous employer or other party, and the Executive will not bring to the premises of the Company any copies or other tangible embodiments of non-public information belonging to or obtained from any such previous employment or other party.

(d) Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate fully with the Company in (i) the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while the Executive was employed by the Company, and (ii) the investigation, whether internal or external, of any matters about which the Company believes the Executive may have knowledge or information. The Executive's full cooperation in connection with such claims, actions or investigations shall include, but not be limited to, being available to meet with counsel to answer questions or to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after the Executive's employment, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. The Company shall reimburse the Executive for any reasonable out-of-pocket expenses incurred in connection with the Executive's performance of obligations pursuant to this Section 8(d).

(e) Relief. The Executive agrees that it would be difficult to measure any damages caused to the Company which might result from any breach by the Executive of the Continuing Obligations, and that in any event money damages would be an inadequate remedy for any such breach. Accordingly**,** the Executive agrees that if the Executive breaches, or proposes to breach, any portion of the Continuing Obligations, the Company shall be entitled, in addition to all other remedies that it may have, to an injunction or other appropriate equitable relief to restrain any such breach without showing or proving any actual damage to the Company.

9. Consent to Jurisdiction. The parties hereby consent to the jurisdiction of the state and federal courts of the State of Washington. Accordingly, with respect to any such court action, the Executive (a) submits to the exclusive personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

10. Waiver of Jury Trial. Each of the Executive and the Company irrevocably and unconditionally WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE EXECUTIVE'S EMPLOYMENT BY THE COMPANY OR ANY AFFILIATE OF THE COMPANY, INCLUDING WITHOUT LIMITATION THE EXECUTIVE'S OR THE COMPANY'S PERFORMANCE UNDER, OR THE ENFORCEMENT OF, THIS AGREEMENT.

11. Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter**,** including the Prior Agreement, *provided* that the Restrictive Covenants Agreement and the Equity Documents remain in full force and effect.

12. Withholding; Tax Effect. All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Agreement shall be construed to require the Company to make any payments to compensate the Executive for any adverse tax effect associated with any payments or benefits or for any deduction or withholding from any payment or benefit.

13. Assignment; Successors and Assigns. Neither the Executive nor the Company may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; *provided*, *however*, that the Company may assign its rights and obligations under this Agreement (including the Restrictive Covenants Agreement) without the Executive's consent to any affiliate or to any person or entity with whom the Company shall hereafter effect a reorganization or consolidation, into which the Company merges or to whom it transfers all or substantially all of its properties or assets; *provided*, *further* that if the Executive remains employed or becomes employed by the Company, the purchaser or any of their affiliates in connection with any such transaction, then the Executive shall not be entitled to any payments, benefits or vesting pursuant to Section 2(f), Section 5 or Section 6 of this Agreement solely as a result of such transaction. This Agreement shall inure to the benefit of and be binding upon the Executive and the Company, and each of the Executive's and the

Company's respective successors, executors, administrators, heirs and permitted assigns. In the event of the Executive's death after the Executive's termination of employment but prior to the completion by the Company of all payments due to the Executive under this Agreement, the Company shall continue such payments to the Executive's beneficiary designated in writing to the Company prior to the Executive's death (or to the Executive's estate, if the Executive fails to make such designation).

14. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

15. Survival. For the avoidance of doubt, this Agreement shall survive the termination of the Executive's employment to the extent necessary to effectuate the terms contained herein.

16. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

17. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its main offices, attention of the Board.

18. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.

19. Effect on Other Plans and Agreements. An election by the Executive to resign for Good Reason under the provisions of this Agreement shall not be deemed a voluntary termination of employment by the Executive for the purpose of interpreting the provisions of any of the Company's benefit plans, programs or policies. Nothing in this Agreement shall be construed to limit the rights of the Executive under the Company's benefit plans, programs or policies except as otherwise provided in Section 8 hereof, and except that the Executive shall have no rights to any severance benefits under any Company severance pay plan, offer letter or otherwise. Except for the Restrictive Covenants Agreement, in the event that the Executive is party to an agreement with the Company providing for payments or benefits under such plan or agreement and under this Agreement, the terms of this Agreement shall govern and the Executive may receive payment under this Agreement only and not both. Further, Section 5 and Section 6 of this Agreement are mutually exclusive and in no event shall the Executive be entitled to payments or benefits pursuant to both Section 5 and Section 6 of this Agreement.

20. Governing Law. This is a Washington contract and shall be construed under and be governed in all respects by the laws of the State of Washington, without giving effect to the conflict of laws principles thereof. With respect to any disputes concerning federal law, such disputes shall be determined in accordance with the law as it would be interpreted and applied by the United States Court of Appeals for the Ninth Circuit.

21. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the Effective Date.

ABSCI CORPORATION

By: /s/ Sean McClain

Its: CEO

EXECUTIVE

/s/ Andreas Pihl

ANDREAS PIHL

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated May 6, 2021 (except for the second paragraph of Note 2, as to which the date is July , 2021), in Amendment No. 2 to the Registration Statement (Form S-1 No. 333-257553) and related Prospectus of Absci Corporation for the registration of 14,375,000 shares of its common stock.

Ernst & Young LLP

Seattle, Washington

The foregoing consent is in the form that will be signed upon the effectiveness of the forward stock split described in the second paragraph of Note 2 to the consolidated financial statements.

/s/ Ernst & Young LLP

Seattle, Washington
July 15, 2021

Consent of Independent Auditors

We consent to the use in this Registration Statement on Form S-1 of Absci Corporation of our report dated June 14, 2021, relating to the consolidated financial statements of Totient, Inc. as of December 31, 2019 and 2020, and for the years then ended, and to the reference to our firm under the heading “Experts” in the Prospectus, which is part of this Registration Statement.

/s/ Moss Adams LLP

Seattle, Washington
July 15, 2021